



Petty Officer Alan Harvey kissing his wife, Sue, goodbye in Rosyth, Scotland, prior to departing on the Bicester, one of the British minesweepers being sent to the Gulf.

Convoy Prepares to Sail As Gulf War Intensifies

By Richard M. Weintraub

Washington Post Service

DUBAI, United Arab Emirates

The air and artillery war between Iran and Iraq continued to build in intensity Monday with reports of new Iraqi air attacks on Iranian and Iranian artillery barrages directed at the Iraqi city of Basra.

As the main combatants in the seven-year Gulf conflict continued their war of attrition, signs were building that a convoy of reflagged Kuwaiti tankers was ready to set sail under the protection of U.S. warships.

Four tankers, now under the U.S. flag, were reported by shipping sources Monday to have taken on their cargoes of crude oil at Kuwaiti ports. The tankers were said to be prepared to sail back through the Gulf now that the U.S. Navy has moved minesweeping capability into the region.

With another test of wills between the United States and Iran building over the tankers, an Iraqi military spokesman said Monday that Iranian shelling during the night had killed three persons and wounded seven others at its battered southern city of Basra.

The spokesman said 42 shells had struck Basra.

The U.S. amphibious assault ship Guadalcanal, which arrived in the Gulf on Sunday, anchored off Bahrain overnight but was reported

late Monday to be moving to a new position. The ship is carrying RH-53D Sea Stallion minesweeping helicopters to help clear the lanes for the return run of the tankers.

The helicopters were reported Monday to have been carrying out operations to the north of Bahrain.

A total of seven minesweepers from Britain and France left for the Gulf on Monday from their home ports.

Shipping sources who have tracked previous attacks in the Gulf said that they expected attempts to place mines in the path of the "convoy" bound for Kuwait, although perhaps in the southern portion of the Gulf rather than in the north.

Shipping experts say that the mines probably are dropped from the dhows that criss-cross the Gulf in large numbers carrying fishermen and goods.

This would explain the Iranian ability to continue placing mines even when there is a widespread alert. Dhows in waters of the United Arab Emirates reportedly are being checked carefully, following the sinking of a supply ship off Fujairah on Saturday.

Experts who have charted previous mine explosions believe that the mines often were put in place within an hour or so of the passing of a tanker in a very precise operation to hit a specific vessel moving through congested shipping lanes.

Workers Rampage In Korea

Hyundai Lockout Sparks 20,000 In Unions to Riot

The Associated Press

SEOUL — Thousands of workers fought South Korean riot policemen in the southern industrial city of Ulsan on Monday after the Hyundai conglomerate locked them out of their plants.

Hyundai, a major force in the U.S. subcompact automobile market, and other companies in the export-driven South Korean economy have been among the hardest hit in weeks of strikes for higher pay, better working conditions and freer unions.

The street battles in Ulsan occurred at the beginning of annual military maneuvers, which officials said were being emphasized this year as a defense against "growing danger within and without."

About 60 people were reported injured in strike-related violence in Ulsan, Seoul and Taegu, a textile center 85 miles (about 140 kilometers) south of the capital.

The strikes began after President Chun Doo Hwan declared on June 30, following a month of anti-government protests, that he would accept opposition demands for such democratic reforms as direct presidential elections and less control over labor unions.

Authoritarian governments have virtually banned strikes since the South Korean "economic miracle" began in the 1970s, and they have kept wages low to make products cheaper abroad.

The government has stayed out of the labor disputes so far, but officials have said intervention may become necessary if they continue.

Labor unrest subsided over the weekend but was back again Monday with the lockouts in Ulsan.

Yonhap, the South Korean news agency, said about 20,000 workers of the six Hyundai companies went on a rampage after the lockouts.

It said workers gathered in a driving rain at Hyundai Heavy Industries Co., the country's largest shipyard, demanding that management negotiate with a new labor alliance embracing employees of all 12 Hyundai companies in Ulsan.

Chung Ju Young, head of the Hyundai group, rejected the alliance and said he would deal only with individual unions.

During a two-and-a-half-hour rally, workers burned an effigy of Mr. Chung and broke hundreds of windows, Yonhap said. Some of the protesters wore gas masks, and 2,000 riot policemen blocked a road from the shipyard to Ulsan, the report said.

According to Yonhap, workers See KOREA, Page 2



Wreckage from a Northwest Airlines plane is strewn along Middlebelt Road near Detroit. Interstate 94 crosses at rear.

Jet Crash In Detroit Kills 154

Inquiry Is Begun Into Report That Plane Was Afire

The Associated Press

ROMULUS, Michigan — Investigators were checking reports Monday that a Northwest Airlines jetliner had been on fire before it crashed on a highway just after takeoff from Detroit Metropolitan Airport, killing 154 people.

It was the second deadliest crash in U.S. history.

Aboard Northwest Flight 255 were 147 passengers and six crew members, said Bob Gibbons, an airline spokesman in Minneapolis. At least 152 people on the plane were killed along with two on the ground, officials said, and at least six people on the ground were injured.

The plane was a McDonnell Douglas MD-80, an updated version of the DC-9. It was en route to Phoenix and suburban Los Angeles when it crashed in clear weather at 8:46 P.M. Sunday.

Witnesses said the jet was rocking from side to side and trailing fire before it plunged to the ground and broke into dozens of burning pieces on Middlebelt Road, near the airport in the Detroit suburb of Romulus. Some of the debris also fell on a car rental parking lot and on Interstate 94, the main route from Detroit to Chicago.

"When it hit the ground it just crumbled like a piece of paper," Joel Taylor, a motorist, told the Cable News Network. Then, he said, it exploded.

"It looks like a large bomb fell on Middlebelt Road," said Wayne County Executive Ed McNamara.

He said that a wing had clipped a car rental building near the airport and that the plane had then slid underneath a railroad trestle and smashed through the eastbound and westbound bridges of Interstate 94 onto Middlebelt Road.

A motorist and passenger in a vehicle were killed, a deputy sheriff said.

Among those injured was a 4-year-old girl who was in critical condition at the University of Michigan Medical Center in Ann Arbor, a hospital spokesman said. Rescue workers said they had found the girl in the wreckage under the body of a woman. There were conflicting reports about whether she had been on the plane.

Agents of the Federal Bureau of Investigation were sent to the scene based on a report that there might have been an explosion before the crash, said John Anthony, an FBI spokesman in Detroit. The agents will check for any sign of a bomb, but there is no indication that there was a bomb on the plane, he said.

The FBI said in January that it See CRASH, Page 2

Rudolf Hess Dies in Spandau at 93

The Associated Press

BERLIN — Rudolf Hess, 93, the former deputy to Hitler, died Monday, the Western Allies announced. A statement said Hess died in Spandau Prison in West Berlin. It did not give the cause of death.

"After the necessary arrangements have been made, the body of Rudolf Hess will be handed over for burial to the family residing in the Federal Republic of Germany," the Allies' written statement said.

In '41, Enigmatic Flight

By Michael Getler

Washington Post Service

On the night of May 10, 1941, a twin-engine Messerschmitt-110

fighter plane lifted off the runway at Augsburg, Germany, and headed west in the darkness above the North Sea.

At the controls was a 47-year-old pilot whose jutting jaw, deep-set eyes and bushy brows were destined to become instantly recognizable in much of a world slipping deeper into the abyss of war.

The pilot was Rudolf Hess, deputy to Hitler and second in line, behind Hermann Göring, to succeed the Nazi Führer.

His destination was Scotland. Most historians believe even Hitler did not know about his objective: to arrange some kind of "peace" in the war with England before U.S.

forces entered the fighting and before Hitler's armies invaded the Soviet Union.

Four hours later, Hess bailed out over the Scottish countryside. It would be his last day of freedom.

When news of his bizarre escape was heard on BBC radio the next day, it stunned the world, enraged Hitler — who promptly portrayed Hess as a madman — and made Stalin, already nervous about a rumored German invasion, even more suspicious.

Hess failed to negotiate a peace, if that is what he intended. He wound up a prisoner in the Tower of London until the end of the war. See HESS, Page 2

Talks Proceed Cautiously in South Africa

Compiled by Our Staff From Dispatches

JOHANNESBURG — Representatives of the Anglo American Corp. and the National Union of Mineworkers failed to reach agreement Monday on ways to curb violence between striking miners and security forces.

Leaders of the miners' union and Anglo American, the largest mining company in South Africa, ended three hours of talks without an accord but agreed to resume discussions on Tuesday.

Two miners have been killed since the strike began Aug. 9. Marcel Golding, press secretary for the mine union, said that about 300 striking workers had been injured and another 300 had been arrested.

Bobby Godsell, a spokesman for Anglo American, which employs about 80 percent of the estimated 335,000 striking miners, said the talks on Monday had been "constructive" and that the company was considering proposals by the union to end the violence.

The union is seeking wage increases, premium pay for hazardous work, longer vacations and other improvements in benefits.

The government-run coal, oil and gas company, Sasol, said that one worker was killed and two were injured in fighting Sunday between supporters and opponents of a planned strike at facilities in See STRIKE, Page 2

Kiosk Terror Suspect Seized in U.K.

LONDON (AP) — Detectives have arrested a 28-year-old Arab research assistant in the port town of Hull and uncovered a cache of explosives, bomb-making equipment and weapons destined for use in terrorist attacks in Europe, Scotland Yard said Monday.

The discovery came last week in an investigation of the attempted murder last month of an Arab political cartoonist, Ali Najj Awad al-Adhami.

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U.S. Seeks to Put Stamp On Latin Peace Accord

By Neil A. Lewis

New York Times Service

WASHINGTON — The Reagan administration is embarking on a stepped-up diplomatic effort over the next two weeks to evaluate and influence the regional peace plan put forward by five Central American nations, according to government officials.

The effort began Monday with a meeting in Washington between high administration officials and the senior U.S. diplomats in the five Central American countries. The diplomats are expected to relay Washington's concerns to officials in the region, who are scheduled to meet on Wednesday to discuss the accord.

The administration, which earlier offered its own peace proposal, has found itself swept up in the Central American peace since it was signed Aug. 7 at a conference in Guatemala by the leaders of that nation and Nicaragua, Honduras, El Salvador and Costa Rica.

Elliott Abrams, the assistant secretary of state for inter-American affairs, described the Guatemala plan as "more a preliminary agreement than a final peace treaty." He said that there were important ambiguities that had to be cleared up before the administration could judge how to react to the proposal.

The diplomats at the Monday meeting were offering their evaluation of how the countries in the region are interpreting parts of the plan. They will return to their posts Tuesday to deliver an account of American concerns to their host governments.

On Wednesday, the foreign ministers from the five countries are to hold talks in San Salvador. Next weekend, the same foreign ministers will meet again, this time in Caracas with other Latin American leaders.

After that, a team of American officials will travel to Central America to evaluate the shape of the plan.

"We'll have our experts look at the plan after the two foreign ministers' meetings," an official said. "We'll have the benefit of an additional week of thinking."

The Guatemala accord is designed to end conflicts in the region, particularly a leftist insurgency in El Salvador and a rightist rebellion, supported by the Reagan administration, in Nicaragua. The plan differs significantly from one announced a few days earlier by President Ronald Reagan and Representative Jim Wright of Texas, the speaker of the House of Representatives.

The administration has been beset by confusion over how to react to the Guatemala accord. Officials said over the weekend that a disagreement over the American response to the plan was a major reason behind the sudden resignation last week of Philip C. Habib as special envoy to Central America.

Mr. Habib was eager to embrace the Guatemala plan, but administration officials remain deeply wary. "We are positive but sober" about the plan, a senior official said, reflecting a deep distrust of the government in Nicaragua.

The Guatemala accord, based on a proposal first put forward by the Costa Rican president, Oscar Arias Sánchez, calls for scheduled cease-fires and the establishment of commissions in each country to reconcile political differences peacefully.

Although it would require the Nicaraguan government to restore press freedom and full political participation, it is generally regarded as more favorable to Nicaragua than the plan put forward by Mr. Reagan and Mr. Wright.

The Guatemala accord deals with the entire region, but the main focus of U.S. concern is Nicaragua. Although the plan requires all the governments to institute democratic changes, administration planners are worried that it would result in the entrenchment of the See LATIN, Page 3



Celebrants of Harmonic Convergence greeting sunrise in northwestern New Mexico.



Celebrants of Harmonic Convergence greeting sunrise in northwestern New Mexico.

No Muggings? It's a New Age

Harmonic Convergence Hum Unscathed in Central Park

By Mary Battista

Washington Post Service

NEW YORK — The sky did not fall, the earth did not quake (unless you count the rumble of the subway), and the Great Harmonic Convergence of 1987, Central Park site, may just be remembered for at least one amazing phenomenon: More than 1,500 people waited for hours in the predawn darkness near 81st Street and no one got mugged.

Beyond that, all claims are a little murky. The Harmonic Convergence, as the astrally attuned already know, is a global event dreamed up by a Colorado art historian named José Argüelles. Not long ago Mr. Argüelles consulted the ancient Mayan calendar and a few other sources and concluded that during a two-day period ending Sunday, the Earth would move from one epic age to another.

The transition would be precarious, so to help the Earth along Mr. Argüelles recommended that 144,000 humans get together at far-flung sites, hold hands and hum.

For reasons that remain unclear, but that undoubtedly have something to do with widespread anxiety about the state of civilization, thousands of people around the world decided to do just that. Five thousand converged, in one of the larger gatherings, on snow-capped Mount Shasta in northern California; 1,000 met on an ancient Indi-

an mound in East St. Louis, Illinois, waving clamshells filled with smoldering herbs; 45 danced, chanted and meditated on Egypt's Giza Plateau.

"Dozens" of convergers were reported in Glastonbury, England, once thought to be the burial place of King Arthur and Queen Guinevere; 200 joined at Stonehenge in the neighboring county of Wiltshire; another 200 beat drums around a crater in Hawaii.

In New York, it happened like this: By 4:30 A.M. while the rest of the city slumbered, hundreds of people had begun streaming into the park entrance at 81st Street and Central Park West. The sky was still a deep blue, and there was a bright half moon overhead.

Participants settled quietly in a clearing around a small circle of sand, beside the rumpled occupants of even more rumpled sleeping bags. The scene looked like a large, disorganized slumber party. "I'm not taking anything, are you?" one young man asked another.

In the circle, half a dozen men and women, some wearing long robes and carrying conch shells, drums or small finger symbols, posed in measured steps. Occasionally one raised a set of limp wrists to the sky and rotated his or her hands slowly. There was a big fat candle in the center of the See HUM, Page 3

For Press, Fewer Nyets

In Stalin's Steel City, Local Newspaper Even Allows Criticism by an American

By Celestine Bohlen

Washington Post Service

MAGNITOGORSK, U.S.S.R. — Openness, or glasnost, one of the watchwords of Soviet reform, took on a new meaning for residents of this steel-producing city last month when the local newspaper published a three-part series called "Magnitka Through American Eyes."

The author, Steve Kotkin, a 28-year-old scholar of Soviet economic history who spent six weeks here on an academic exchange, pulled few punches. He described his view of life on the eastern slopes of the Ural Mountains, its pluses and its minuses.

"Services are on the whole horrible, worse than any criticism," he said. "Moreover, the city is poorly supplied with goods. Very rarely does one see such products as meat, cheese or porridge."

In an analysis that also spoke about problems of crime and poverty in the United States, Mr. Kotkin said he was amazed to meet Russian families who waited 15 years to get an apartment. He had high words of praise for the warmth of the average Magnitogorsk, as the locals are called, but chided the "dogmatic, even rude, manners" of certain leading citizens, and spoke his mind about excessive controls on information and the average Russian's poor knowledge of Soviet history.

Two years ago, such an outspoken article anywhere in the Soviet Union would have been unthinkable. A year ago, it might have appeared in the fashionably progressive Moskovskiy Novosti, or Moscow News, a weekly that circulates abroad in five languages, and even then it would have caused a stir.

The fact that it was printed in the heart of the Soviet Union, in a city Stalin built at the height of industrialization, is a sign that the official policy of glasnost has made some impact outside Moscow.

The loosening of controls on the press is one of the most visible changes to have taken place in the Soviet Union over the last two years. National newspapers and magazines, led by Moscow News, Ogonek (Beacon) and a few others, were the first to follow the calls for openness, probing into such occasions as the death of a prominent official.

Now, gradually, the trend is spreading to the provinces, although not without opposition. In the Amur region in the Soviet Far East, the regional Communist Party committee publicly censured a district party official last month for trying to keep the local newspaper from publishing a critical article on personnel policies. Cases have been reported of local authorities fabricating "hoax journalism" charges against reporters.

The new openness can in no way be confused with independence. Soviet newspapers are official organs, with each publication tied to an official organization. On the local level, the main newspapers are the mouthpieces of the local Communist Party, and their front pages are given over to the same diet of announcements and speeches as the national party newspaper, Pravda, back in Moscow.

Information remains tightly controlled and, despite complaints from a few prominent journalists, certain areas of government — defense, foreign affairs and the KGB — are out of bounds for journalistic criticism. Because of this continuing sensitivity, major front-page stories in the West — the See GLASNOST, Page 2

Dow close: UP 15.14
The dollar in New York:
DM \$ Yen FF
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A Russian 'Drunk-o-Log': Alcoholics Anonymous in Moscow

By Bill Keller
New York Times Service
MOSCOW — On Sunday morning, in a hotel room across a square from the Kremlin, four men with histories of craving and despair held hands and began a meeting that they hoped would keep them sober for the day.

There were Americans and the fourth was a Russian, believed to be the first to join Alcoholics Anonymous.
'I started drinking when I was 14,' the Russian began when his turn came in the round of confessions, called, in AA jargon, the 'drunk-o-log.'

He proceeded to describe a history of binges on wine, vodka, after-shave lotion and window cleaner; a broken marriage; career failures; and repeated hospitalization, much like the nightmares reported daily at such meetings in dozens of countries.
Alcoholics Anonymous had not been allowed in the Soviet Union, in part because of official misgivings about an organization that works outside governmental control and invites its members in turn over their life 'to the care of God.'

He wrote, and an American member in Moscow contacted him.
The Russian attended his first meeting Wednesday but said he felt inhibited by the presence of two Soviet doctors as observers. The Americans assured him that as a rule no one but alcoholics attend meetings.

HESS: Hitler's Former Deputy Dies in Spandau at 93

(Continued from Page 1)
Then he was sent back in Germany to stand trial at Nuremberg.
His flight, the mystery that still surrounds it, and the suspicions that it unleashed and that still linger in Soviet history books, marked Hess as perhaps the strangest man in the strange cast of characters that made up Hitler's hierarchy.

Germany in a push against the Bolsheviks.
Britain, the German rationale supposedly went, could not possibly benefit from a future Europe overrun by Communists if Hitler's armies were defeated. The Russians have long suspected that the Allies delayed the invasion of Europe until it was clear that the Soviet Union was going to overpower Hitler in the East.



Rudolf Hess

Hess made his flight six weeks before the invasion of the Soviet Union.
On Oct. 1, 1946, at Nuremberg, Hess was found not guilty of war crimes or crimes against humanity, but guilty of conspiracy and crimes against peace. The man Hitler had affectionately called 'mein Hesse' was sentenced to life in prison.

Hess was born in Alexandria, Egypt, on April 26, 1894, the son of a German wholesale merchant. He went to business school, joined the infantry in World War I, and, like Hitler, despised at what happened to Germany after the war.
At 24 he entered the University of Munich and fell under the spell of Karl Haushofer, who mixed political theories, persuasion, dreams and astrology in a way that influenced Hess and Hitler.

Then, as Hess moved into his third decade in Spandau, his solitary life in the enormous prison began to inspire an eerie fascination on the part of the public.
In 1959 he had tried to commit suicide, an act he would repeat almost 20 years later. In 1969 he became sick with ulcers and was taken briefly to a British hospital. His first trip outside Spandau. Later that year he finally agreed to see his wife and son.

Allies Confirm Intent To Demolish Spandau

The Associated Press
BERLIN — The Western Allies confirmed Monday that Spandau Prison would be torn down.
The Allies said in a statement: 'The purpose of Spandau Allied prison has ceased on the death of Rudolf Hess.' The move had been agreed to earlier, to keep the building from becoming a rallying point for Nazi sympathizers.

By 1966, he was alone in the 600-cell fortress. His fellow inmates had either died or completed their sentences. A 100-man guard detachment rotated duty monthly between the four powers.
Visits by his wife, Ilse, or his son, Wolf Rüdiger Hess, now a Munich

GLASNOST: Fewer Press Limits

(Continued from Page 1)
landings of a private West German plane, or the early announcements of the Chernobyl nuclear accident — remain backstage items here.
In Moscow, religious and political dissidents have begun probing the limits of glasnost with unofficial bulletins and journals dealing with issues of emigration, the KGB, prisoners of conscience.

Formerly the letters were mostly complaints,' he said. 'Now people are raising topics for discussion, getting into a conversation with us.'
When the Magnitogorsk Worker ran the Kotkin series, the editors were uncertain how the articles would be greeted, especially by the veteran steelworkers who practically built 'Magnitka' (the city's nickname) with their bare hands in the early 1930s. Their pride in their city is fierce, and criticism does not always go down well, especially from an American.

What is playing in Moscow, however tentatively, is still a distant hope in most cities, however. There, according to articles in the central press, enterprising reporters still feel the weight of authority for even mildly critical stories.
The discrepancy between Moscow and the provinces is true for other aspects of glasnost, which has come to mean a broadening of public debate at the workplace, even on the street. One week this summer, while members of the Hare Khab-nat sect were dancing and singing on a street in central Moscow, one of their co-believers was arrested in Cherdigov, the Ukraine, for doing the same thing.

The first reaction to the articles would have touched the hearts of editors everywhere. According to Elena Kareina, one of the paper's journalists, on the three days the articles came out, people riding public transport in Magnitogorsk had their papers turned to Page 3 and their eyes glued to Mr. Kotkin's articles.
Some outraged letters did come in but, to the editors' surprise, the response was mostly favorable. Sitting in their offices off a quiet courtyard a week later, the editors passed around the day's mail.

STRIKE: Negotiations Stall

(Continued from Page 1)
cunda, about 65 miles (100 kilometers) east of Johannesburg.
The Chemical Workers Industrial Union said two men had died. A Sasol spokesman, Jan Krynauw, said that nearly all of the 15,000 chemical and mine workers were at their jobs Monday at the Secunda facilities.
The union said the strike was suspended after its members were attacked by groups of workers allegedly organized by management. Sasol denied that it had organized strikebreakers.



Engineers working Monday to save the Ekofisk Center from sinking in the North Sea.

The flavour of an island in a single malt.

Isle of Jura Single Malt Scotch Whisky advertisement featuring a bottle image and contact information for Gramercy Park Hotel.

Sinking North Sea Oil Rigs Being Jacked Up

OSLO — Engineers began jacking up the decks on four oil platforms Monday in the final phase of a project to save the sinking Ekofisk Center, a Norwegian facility, from the North Sea.
The four multistory platforms, weighing a total of 250,000 tons, must be lifted simultaneously to avoid severing a maze of intercon-

KOREA: Hyundai Riot

(Continued from Page 1)
threw rocks and firebombs, and the police responded with tear gas.
About 5,000 workers broke through police lines and marched into nearby downtown Ulsan, where they attacked a police substation and damaged five police buses, it said.
Policemen fired tear gas to drive the protesters from the area, the Yonhap report said.
Strikes by tens of thousands of workers have crippled shipyards, the auto industry, electronic and machinery manufacturers, textile mills, coal mines and bus and taxi companies. Scores of smaller factories that supply the industrial giants have been forced to close.

INDIA ASSURES TAMIL REBELS ON ARMS

COLOMBO, Sri Lanka (Reuters) — The biggest Sri Lankan guerrilla group, the Liberation Tigers of Tamil Eelam, has agreed to hand over the rest of its arms Tuesday after assurances from India, an Indian Embassy spokesman said Monday.
The rebels halted the hand-over last week, demanding assurances from New Delhi that they would be safe without weapons. Indian sources estimated that the rebels had turned in less than half of their arms.
India signed an accord with Sri Lanka last month to end the Tamils' four-year war for a separate state and sent 7,000 troops to the island to supervise a cease-fire and the surrender of weapons.

TRAVEL UPDATE

Six flights by El Al Israel Airlines to Europe were disrupted Monday when some pilots reported sick in a dispute over vacation time. About 1,000 passengers had to be rebooked with other airlines or put on later El Al flights.
Swiss guides ended a month-long boycott of the Matterhorn and are again taking climbers up the 14,690-foot (4,478-meter) peak. The guides, who charge \$330 a climb, had kept off the mountain since July 15 when snow and winds made the ascent too dangerous.

CRASH: Inquiry Begins in Detroit

(Continued from Page 1)
was investigating alleged tampering with Northwest planes at the Minneapolis airport. The Detroit Free Press said last month that the airline had brought in security guards to combat minor acts of vandalism involving ground equipment.
Mr. Gibbons, the Northwest spokesman, said the FBI investigation of a possible bomb was routine. 'I wouldn't jump to any conclusions about the FBI involvement,' he said.
He said there was no evidence of possible sabotage in the crash, and he would not comment on recent union problems that Northwest has had in Detroit.
Authorities said there was looting at the site shortly after the plane crashed, with some people carrying away debris. Six persons were arrested.
The area was cordoned off Monday, and investigators from the National Transportation Safety Board investigators were on the scene.
Jerry Linton, a Federal Aviation Administration official, said taped conversations between air traffic controllers and crew members had not been reviewed. Controllers wit-

Correction

The wrong Neville Chamberlain was mentioned Monday in William Safire's column 'On Language.' The person referred to was not the eventual prime minister of Britain. He was a career army officer named Neville Francis FitzGerald Chamberlain, who later became Colonel Sir Neville Chamberlain, 1856-1944.

For the Record

Responsibility for arson attacks on the West German clothing company Adler has been claimed by a leftist feminist group, Rote Zora, the authorities said Monday in Karlsruhe. Adler said the weekend attacks on eight branches caused damage estimated at 35 million Deutsche marks (\$19 million).
All eight passengers in a West German minibus were killed Monday in a head-on collision with a truck outside the northern Greek city of Salonica, the police said.
The second of the septuplets born in Liverpool on Saturday died Monday, and doctors said the other five faced a tough battle for survival. The four girls and three boys were three months premature.
Charges were dropped in Beirut on Monday against Sergeant Ibrahim Dagher, one of two persons detained in connection with the murder in June of Prime Minister Rashid Karami. (Reuters)

GLASNOST: Fewer Press Limits

(Continued from Page 1)
The number of questions is growing: Two years ago, the paper, with a circulation of 119,000, got 6,000 to 7,000 letters a year. Now the number is 12,000, Mr. Kucher said.
The number of questions is growing: Two years ago, the paper, with a circulation of 119,000, got 6,000 to 7,000 letters a year. Now the number is 12,000, Mr. Kucher said.

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Planned General Strike Protesting Noriega Rule Seems to Fail in Panama

The Associated Press
PANAMA CITY — Most businesses opened as usual here Monday, despite an opposition call for a nationwide general strike aimed at forcing the removal of the top Panamanian military commander.

U.S. Envoys Are Accused In Managua

The Associated Press
MANAGUA — The government newspaper Barricada has reported that two U.S. diplomats incited weekend demonstrations by dissidents that were broken up by the police.

Barricada identified the diplomats as John Modera, the U.S. Embassy chargé d'affaires, and Gary Grappon, a vice consul. Accompanying the article, which appeared Sunday, were two photographs said to be of Mr. Grappon observing the two demonstrations.

LATIN: U.S. Debating Peace Plan

(Continued from Page 1)
Nicaraguan government and would mean the end of the insurgents, known as contras, whom the administration has supported so fervently.

The Guatemala plan sets a Nov. 7 deadline for a cease-fire, so it is likely that fighting would continue in Nicaragua past Sept. 30, when the current U.S. appropriation for military aid to the contras expires.

Administration officials said that one possibility is to ask Congress for military aid for the week period ending Nov. 7.

Soviet Videophone Service

MOSCOW — A videophone link between Leningrad and Moscow opened Monday, Tass reported.

HUM: Convergence in Central Park

(Continued from Page 1)
circle, and around that a sand painting of a map of the world.

Some people had hunkers of rock crystal fastened on chains around their necks. Others clasped crystals the size of dinner rolls and waved at the sky.

The first public words were spoken at 5:30 by a deep-voiced older woman who rose from her blanket and advised the crowd to pray for help.



Senator Albert Gore Jr. with his father, a former senator.

Gore Courts the South as a Local Boy Made Good

By Robin Toner
New York Times Service
DALLAS — Former Senator Ralph W. Yarborough, packing 84 years of Democratic fervor, bounced onstage to the tune of "The Yellow Rose of Texas" and delivered the introduction.

Senator Albert Gore Jr., he declared, is a "typical American" — married and the father of four children, a veteran of the Vietnam War, a farmer and a native of Tennessee, "our sister state."

Mr. Gore took the podium, every inch the smooth, 39-year-old scion of the New South, by way of Harvard and a Washington preparatory school. "I'm here as a candidate for president," he told Texas members of the AFL-CIO, the largest trade U.S. organization, in Austin.

Espionage 101: Retired CIA Spy Holds a Seminar

By Hilary Scout
New York Times Service
WASHINGTON — "So you're interested in intelligence?" said the retired spy to the economist, the unemployed college graduate, the university administrator, the two marines, the electrical engineer, the Korean native, the businesswoman, the young man with a criminal justice degree and the others gathered in a narrow room on the third floor of a Washington storefront one recent evening.

This was a class, "Careers in Covert Operations," a seminar offered from time to time over the last two years by a Washington continuing education program, First Class, which recently saw a good promotional opportunity if there ever was one.

"Oliver North has Washington 'buzzing' with talk of covert operations," said the course announcement. "Are you ready for the hard-core career facts?"

The fee: \$17. The time: 6 P.M. to 8 P.M. Extra inducement: A possible free dinner for two at a Washington restaurant for those who showed up in sunglasses and trenchcoats.

He was a spy in Chile, Cuba, Lebanon, Guatemala, Mexico, the Dominican Republic, Brazil and Venezuela. He helped plan the Bay of Pigs operation in the early 1960s.

White House Cuts Its Estimate For 1987 Budget Gap

The Associated Press
WASHINGTON — The Reagan administration estimated Monday that the U.S. budget deficit, helped by a one-time tax windfall, would ease to \$158.4 billion this year from a record \$220.7 billion last year.

The Office of Management and Budget said, however, that the deficit would creep back up to further reduce the gap between receipts and spending.

Ex-Meese Adviser Is Ordered Jailed

New York Times Service
NEW YORK — The former financial adviser to Attorney General Edwin Meese 3d and the adviser's business partner have been ordered jailed on contempt charges after refusing to comply with subpoenas issued by a federal grand jury investigating allegations of corruption at Wedtech Corp.

There's only one gin for the well-informed. ESCADA in Paris at special export prices. Marie-Martine 8, Rue de Sévres, Paris 6th. 50, Fbg. St. Honoré, Paris 8th.

'Will I be asked embarrassing questions on the lie detector test?'

'You bet.'
This is a man who says he almost had to lie to President John F. Kennedy to protect his cover when, upon introduction at a crowded embassy reception in Mexico City, Kennedy innocently began to grill him about his line of work.

work, said Mr. Phillips, who, by the way, is not a fan of Lieutenant Colonel Oliver L. North for his covert actions in the Iran-contra affair.

He asked himself some questions that he thought might be on some of the student's minds.

"Will I be asked embarrassing questions on the lie detector test?" "You bet."

"If I flunk the security exam, will I be told why?" "Probably not."

You see, Covert Action — capital C, capital A — is oot cushy

Gephardt Hires Hart Aides

New York Times Service
WASHINGTON — The Democratic presidential campaign of Representative Richard A. Gephardt of Missouri has reaped a delayed harvest from the political demise of Gary Hart by hiring five former key Hart aides.

John Poulund, who was to manage the "Super Tuesday" states for Mr. Hart, becomes Southern regional director for Mr. Gephardt.

Among the riches of Beverly Hills, a little gem of a hotel.

The Beverly Pavilion is one of two small, fashionable Beverly Hills hotels that are run in the European style under the direct supervision of the proprietor himself.

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INTERNATIONAL Herald Tribune

Published 1984 The New York Times and The Washington Post

The Market's Having Fun

American stock prices have tripled in five years and some investors regard that as tardy recognition of the economy's underlying strength...

The Baby With the Bath

African hospitals contain ward after ward of women convalescing from botched abortions. One day those wards could be a thing of the past because of sub-Saharan Africa's growing network of family planning clinics...

The Lavi Costs Too Much

The Reagan administration is pressuring Israel to drop the Lavi, the advanced fighter plane that Israel has been building with U.S. funds...

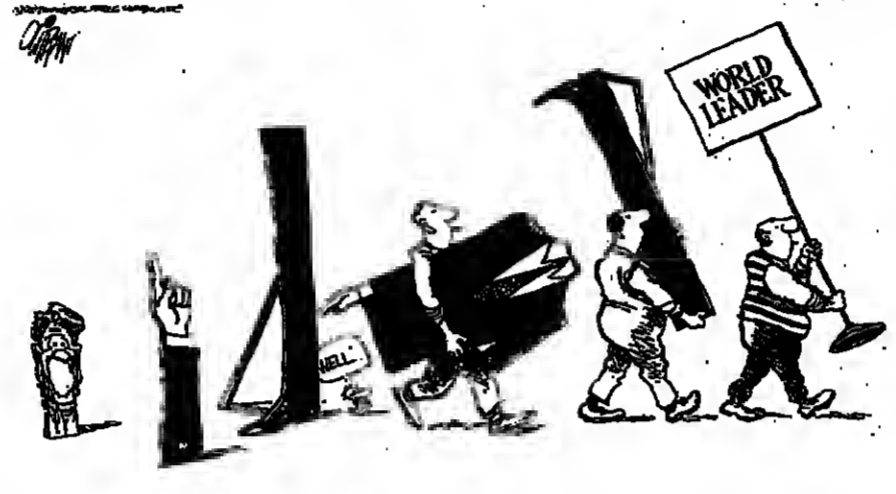
Less Garbage in the Sea

During the long American debate this summer over the plight of a garbage-filled barge with no place to unload, no one ever dared suggest that the trash simply be dumped into the ocean...

Strike the Set, the Reagan Show Is Ending

By Richard Cohen

WASHINGTON — It is August in Washington, the August of a brutal and unforgetting summer. Congress is in recess, much of the government is on vacation and a good many journalists are taking the sun at the beach...



Afghanistan: The Resistance Has an Opportunity

By Barnett R. Rubin

NEW HAVEN, Connecticut — The Afghan resistance, now better supplied than ever, has recently won important military successes in key regions of the country...

ence with which the speech was greeted, is that Mr. Reagan's explanations hardly matter because Mr. Reagan hardly matters.

Politicians, like generals, are forever fighting the last war. The Iran-contra hearings were supposed to be this decade's Watergate. They were not, because they could not be.

Except where he can act unilaterally in foreign policy, the easy days of governing are over. He can still put a fleet into the Gulf or, with the consent of Congress, make an arms deal with the Soviets...

Suddenly, A Program For Peace

By Sol M. Linowitz

WASHINGTON — Prospects for peace in Central America have risen dramatically in recent days. The White House announced a peace proposal that carried with it the endorsement of the Democratic leadership in Congress...

There can be no lasting peace unless security concerns are satisfied.

government. In signing the Arias pact, Nicaragua bound itself to democratic reform, accepting a commitment to lift restrictions on freedom of expression and association and to hold free elections on a regular basis.

For Africa, the Food Solutions Need to Be Low-Tech

By Paul Harrison

LONDON — Africa's image in the West is grim: a continent hovering on the brink of famine, with eroding soils and shrinking forests, at the mercy of a climate of fearful unpredictability...

stand ready to support low-cost programs for as long as it takes them to break through to the rural majority. The most crucial requirement is incentives. Wherever farmers have been given attractive prices for their produce, as in Zimbabwe or Malawi, they have responded with increases in output...

Mr. Harrison is a British journalist who writes about Third World development problems. He contributed this comment to The Washington Post.

Africans Are Turning to Privatization

DEPRESSING sight on Africa's landscape is the litter of abandoned factories, legacies of a socialist goal that failed. Once it seemed to make sense for newly independent Africa to rely on the state to run copper plantations, banks, breweries, hotels, insurance companies, steel mills, oil refineries, plastics factories and textile mills...

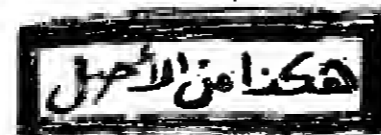
1912: Vice in New York

NEW YORK — The District Attorney, Mr. Whitman, is now in a fair way to procure evidence of police corruption from sources inside the department. Friends of Cornelius Hayes, the police inspector in the Tenderloin district, who has been reprimanded and suspended by Commissioner Waldo, say he is ready to tell Mr. Whitman why vice has been winked at by the police. Inspector Hayes was suspended for saying that he had been instructed by Mr. Waldo not to make raids on disorderly houses without first notifying the Commissioner. His suspension followed wholesale raids by Mr. Whitman's men in the Tenderloin district. The New York "World" reports that in the district there are 32 "trust"-owned disorderly houses making a profit of \$1,500,000 for "trusts" similar to that which is alleged to have already been unearthed.

1937: Prisoner Lynched

COVINGTON, Tenn. — Six masked men snatched Albert Gooden, twenty-three-year-old Negro indicted for murder, from the custody of Sheriff W.J. Vaughan late on Aug. 16 and riddled him with bullets. Police found the body dangling by a rope from a bridge rail here. "A sedan with a number of masked men in it forced my car to the side of the road, covered me with guns and took Gooden away," Sheriff Vaughan told reporters. "On their way to the bridge, where the body was found, they apparently had acquired a rope from a farmer's plough. They tied it around Gooden's neck and then apparently forced him to sit or stand on the bridge rail to which the other end of the rope was tied and then riddled his body with bullets so that it fell from the rail and was left hanging." The prisoner was being transported from Memphis to Covington for trial.

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OPINION

The News Is Good for Some But Maybe Not for Society

By Tom Wicker

NEW YORK — At first glance, the U.S. economy looks bright, with the bull market still roaring ahead and unemployment dropping to 5.9 percent, the lowest level attained during the Reagan administration. At second glance, there is a dark and troubling background to this seemingly cheerful picture.

For one thing, the trade deficit, which had been looking better, unexpectedly hit an all-time monthly high in June at \$15.71 billion, despite rising exports and the decline of the dollar.

For another, and whatever the stock market seems to be saying, economic activity is sluggish, with real gross national product growing at a rate of only 2.6 percent in the second quarter. Worse, a major reason for slow growth is a drop in disposable personal income — what consumers have to spend or save after taxes. That figure declined by 4 percent in the second quarter.

Perhaps a part of that drop, and surely a cause for long-term economic and political concern, is the "down-scaling" of the U.S. labor force and the consequent decline in the American standard of living. That is because most new jobs being created are in the service sector and tend to pay lower wages and provide fewer benefits, and because many workers displaced from high-wage manufacturing jobs are being re-employed in such lower-paying service jobs.

Not the 'Right Time'

SENATOR Bill Bradley gets mail every day urging him to run for the presidency. And every day he says, "No, not now." On June 26 he wrote this to Arthur Dabow, a venture capitalist who offered to raise \$100,000 for the 1988 campaign and recruit others to do the same: "You have to trust your own sense about what seems to be the right path for me to seek the presidency. I want to have a clearer and explicit sense of where, if given the chance, I would take the country — before I seek its most important leadership job."

I am not so sure his stated reservations are the only reasons he is waiting. Part of me suspects that Bill Bradley, a banker's son and a student of economics, thinks that 1988 is another 1928 — that the U.S. economy is on the verge of collapse. Any serious politician who thought that might believe that a Democrat could win in 1988 but not be able to govern as the debts of the Reagan years fall on us all. Perhaps he feels it is better in every way to wait until 1992 or 1996.

—Syndicated columnist Richard Reeves

took office. But a high percentage of the new jobs are in the service sector, which has expanded from 65 million workers in 1981 to more than 75 million today. On the other hand, two million manufacturing jobs have been lost, more or less permanently, since 1979.

Economists who track such things report that a third of the increase in service-sector jobs comes from a rise in retail trade employment, and that nearly half the new retail jobs were in eating and drinking places, where the average wage is \$4.39 an hour. The number of minimum-wage jobs, now paying only \$3.35 an hour, has increased by 2.7 million since 1981.

This is not only bad news for those entering the employment market. It is worse for skilled workers who used to earn \$15 an hour or more at unionized manufacturing jobs. Many of them lost these jobs because of the economic downturn of the early 1980s, foreign competition, industries moving to other locations, plant modernization and the decline of the U.S. manufacturing sector.

A survey by the Department of Labor in January 1984 found the following:

- In the previous five years, 11.5 million workers 20 years of age and over lost jobs because of plant closures or employment cutbacks; of these, 5.1 million had held their jobs more than three years.
- Of the 5.1 million workers displaced from long-held jobs, 3.1 million, or about 61 percent, had been re-employed by January 1984; 1.3 million were looking for work and 700,000 had quit the labor force.
- Only about half the 3.1 million re-employed workers earned as much as in their previous jobs; pay cuts for the rest often were as high as 20 percent.
- Minorities suffered most; only 42 percent of displaced blacks and 52 percent of Hispanics had been re-employed.

If those entering the work force also are finding themselves in demand mostly for low-paying, low-skill jobs — in many cases they also are either temporary or part time — the real bad news is for society as a whole: a declining standard of living for the working and middle classes, fewer or weaker benefits such as health insurance and pensions, less disposable income for consumer spending, more working wives hence more "latchkey children"; fewer young couples able to buy houses or afford such elements of the good life as cottages, boats or second automobiles; probably a drop in those seeking expensive higher education.

Some of this is visible already. Sooner or later, a falling living standard will be political dynamite, too. When it dawns on enough Americans that they can no longer expect to do better economically than their parents, or even as well, their reaction is likely to be outraged, maybe even dangerous.

—The New York Times



By FEDLER in The Star Johannesburg, C&W Syndicate.

Khoshoggi on Khomeini: 'Neither Said Nor Implied'

Regarding the news brief "U.S. Plot to Kill Khomeini Is Alleged" (Aug. 13):

What prompted the Kuwait paper As-Sayassa to attribute to me the remarks published in the International Herald Tribune is beyond my comprehension. I neither said nor implied that the United States or others ever planned to assassinate Ayatollah Ruhollah Khomeini.

With regard to Egypt, it should be reiterated that the government of that country refused from the outset to be

involved with the contacts that eventually led to the U.S. arms sales to Iran.

Also, I would like to state categorically that I never made a profit on those transactions. In fact, I lost over \$10 million.

I have long ago stopped explaining my peripheral role in the Iran-contra affair, other than to observe that if those who have had less experience in such matters had heeded my advice, the story would have had a happier ending.

ADNAN MOHAMED KHOSHOGGL London.

For a Healthy Farm Policy

The New York Times editorial of July 14, "For a Global Farm Fix," makes my hair stand on end. Is any country in the world so confident of human good will and political stability that it wants to be totally dependent on others for its food supplies? The country that cannot feed itself, has lost its independence, and this century has seen enough madmen in power to make such a position look hazardous indeed. This is not "costly pastoral romance." It is realistic politics.

But by all means let us stop subsidizing farmers — the large-scale, one-crop, factory farmers that are exhausting the soil, poisoning food and water with nitrates and pesticides, keeping animals in conditions that no one would allow in zoos, and producing carrots that taste like iodine and apples that taste like cotton batting. Let us instead subsidize small-scale, organic farming, and let us all grow

as much of our own food locally as we can. We will end up with more employment, a more balanced society, a healthy diet and a healthy world, and do away with the cumbersome subsidies we are now paying billions to store.

Since that we are mostly subsidizing now is the agrochemical industry, which organic farming gets off the ground we may pay slightly more for food but not need subsidies at all.

FRANCES OLIVER Penzance, England.

One Had Only to Look Up

Regarding "Egypt Cancels News Coverage of Maneuvers" (Aug. 12):

Not only have preparations for the maneuvers been extensively reported in the local press in July and August, but the skies over Cairo have on several occasions been filled with air force formations. This sort of activity could not

A Columnist, Only Human, Is Moving On

By William E. Geist

NEW YORK — For a writer moving on from this column, there is much unfinished business.

There are unanswered questions, such as the whereabouts of Mrs. Won, who could always be heard vacuuming in the background during Peggy Fitzgerald's 50 years of radio broadcasts from her apartment (because she thought Fitzgerald was just in there mumbbling to herself) but who no longer shows up.

There are unopened press releases, about 150 of them on the floor. Let's open one. Oh, the chief executive officer of a large corporation enjoys painting landscapes on the weekend and the company's public relations department thinks it would make a fine story. That's why they remain unopened.

There are unreturned phone calls. Let's answer one from the pile of messages. Oh, an International Lipid Information Bureau is opening this week in New York. There are unfinished columns. The greatest column about New York I never wrote is about a woman living in one of the city's best known and most expensive buildings who bought a separate apartment worth about \$1 million for her pet mice. They are said to have a view of the park and all sorts of mouse recreational equipment. The column wasn't written

because I wanted to wait and see the apartment for myself, and the woman nearly dropped dead when her friends asked if a reporter from The Times could go see it. She seemed to think she and the mice might be put out by the co-op board.

There are other unfinished works in progress, such as my study of why New Yorkers talk to themselves so much.

MEANWHILE

Maybe it's the company. Some of those I asked were rehearsing lines for auditions. Most of the others were nuts. Some threatened to beat me up.

All in the line of duty. There have been moments of danger, such as when the crowd surged during the Mets victory parade and sent me flying across the trunk of Lenny Dykstra's convertible.

There was also the time the crowd at the Area night club overran the doorman's position, and the doorman, the bevy of bouncers and I were flattened. As well as a frightful day riding with the city's bicycle messengers.

Also memorable is the walk across the wooden stepladder from a moving

tugboat to a hole in the side of the Queen Elizabeth 2 — which was steaming ahead to go under the Verrazano-Narrows Bridge at 7 A.M. to please "Good Morning America" — to interview 800 Dodge dealers watching last year's Fourth of July festivities.

As I wrote in a previous column: In golf, as in life, almost everything is a little different in New York.

I found golfers on the city's public courses hitting out of abandoned cars, carrying handguns in their golf bags, warding off muggers while putting. Here was a city where no one had enough time, money or space. Restaurant tables were inches apart. Two lovers quarreled and cried just inches from my bacon cheeseburger and I didn't know what to do after I had offered her my napkin to dry her eyes.

People were searching maniacally for apartments, the way people elsewhere searched for kidnapped children: putting up posters, offering rewards, knocking on doors, checking the obituaries.

People hurried, and when they slowed down, someone would try to sell them a product or service. I saw a man applying polish to the shoes of people waiting for a "Walk" light.

For a reporter-turned-broadcaster and novelist, there have been great rewards writing about New Yorkers these past three and one-half years. The greatest reward, of course, was meeting thousands of interesting people.

The people I interviewed at the La-Z-Boy store in Queens during the New York Marathon about the joys of not exercising; the man who argued his constitutional right to litter; the cabdriver who said he considered courtesy a sign of weakness; the woman who complained that in New York no one even noticed her 157-foot (47-meter) yacht; the young man who lived in tree houses in Central Park; the crew that puts deals on the windows of abandoned buildings in the Bronx so people think someone is home; the ice skater they light on fire in New York to welcome spring — and Kyu-Sung Choi, the immigrant who succeeded in his battle against some of the most powerful people in New York to open his deli in their Park Avenue neighborhood.

I did have to turn down the offer of \$1,000 worth of hangers offered to me by Bernie Spitz, the Hanger King. I explained about ethics and told him I didn't want to take a fall on hanger-related charges. I confess, however, to keeping an original oil painting done for me in one minute and 46.5 seconds by Morris Katz, the world's fastest painter. I'm only human.

—The New York Times

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

LETTERS TO THE EDITOR

Liberalization in Taiwan

Regarding the opinion column "Taiwan: Ending Martial Law Was Only a Beginning" (July 25) by Chen Hao:

While I share the writer's conclusion that ending martial law is a welcome first step for Taiwan, I disagree with his assertion that the Kuomintang regime "has kept the initiative in the liberalization process, leaving the opposition Democratic Progressive Party ... stunned almost into silence."

The present liberalization process is mainly due to the persistent efforts of the Taiwanese democratic opposition, which made the lifting of martial law a focal point in its program. As early as the late 1970s, many of the same people who now constitute the Democratic Progressive leadership — then referred to as tangwai (literally "outside-the-party people," as the Kuomintang did not allow opposition parties to be formed) — had spoken out against martial law in Taiwan, the longest-lasting in modern history.

The end of martial law is also in part due to the efforts of members of the U.S. Congress such as Representative Stephen Solaz of New York and Senators Claiborne Pell of Rhode Island and Edward Kennedy of Massachusetts, who have for years expressed their concern about the lack of democracy in Taiwan.

On June 18, the U.S. House of Representatives attached a "sense of Congress" amendment to the State Department fiscal authorization bill, urging an end to martial law and progress toward a fully democratic political system in Taiwan. In our view it is no coincidence that less than a week later President Chiang Ching-kuo instructed the Taiwan cabinet to make preparations for the lifting of martial law.

MEI-CHIN CHEN The Hague.

Relatively Pleasant, Really

Regarding the opinion column "Buried Alive on This Rock Where Tourists Now Shuffle" (July 22) by George Will:

Mr. Will writes that Alcatraz prisoners found "the haunting horns of passing ships, the rasping calls of swooping sea gulls, the moaning of the wind" to be "a torture of unrelieved sameness."

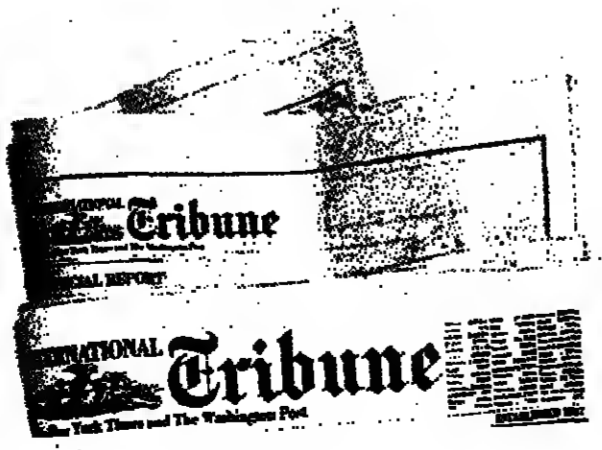
I once had a client on Alcatraz who told me that those very sounds made The Rock the most pleasant prison he had ever been in. Many San Franciscans like myself today live on Telegraph Hill in order to enjoy them.

It is all to the ear of the listener. I find exposure to Mr. Will's opinions to be torture — in particular his assumption that his opinions express absolute, rather than relative, values.

ROBERT RANSOM Paris.

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ARTS / LEISURE

A Sound That Is No More

By Barry James
International Herald Tribune
IT was a sound rooted in the musical traditions of central Europe, and, except on records, it will be heard no more.



The Amadeus Quartet: Brainin, Schidlof, Lovett and Nissel.

As Martin Lovett, the quartet's cellist said, "He is simply irreplaceable." The quartet first played at the Wigmore Hall in London in 1948 and had remained together ever since, close friends in life as well as in music.

had a warmth and a character of sound that is unique. The quartet came from a different tradition to that of today's musicians, where there was less emphasis on technical perfection and more on the music.

They performed briefly as the Brainin quartet. Felix Aprahamian, a music critic, recalls their playing in private homes in London. In 1948, they renamed themselves the Amadeus Quartet after their revered Mozart and gave their first concert, the first of more than 4,000, at the Wigmore Hall.

According to Aprahamian, the quartet "absorbed the great weight of the classical repertoire and interpreted it better than anyone else." They would venture into contemporary music, he said, "only if it was of the highest quality."

A New Electronic Wind

By Mike Zwrcin
International Herald Tribune
PARIS — Jazz musicians are having increasing trouble sounding like themselves. There are only so many notes in a scale and so many scales and they seem to have already been put together in all possible combinations using every ethnic influence.



Michael Brecker playing the EWI.

The synthesizer provided a new language but that was for keyboardists only, and much of its raison d'être is inexpensive imitation of traditional instruments. So in addition to being put out of work by this digitally dexterous one-man band, horn players are also wandering blind in acousticondom. Nobody has discovered a lost chord since the death of John Coltrane.

Davis and Joe Zawinul, the search for a personal sound on electric instruments has been pretty much a failure. Brecker says so himself. But, "The EWI is wind-activated. The air column controls the sound. All of a sudden I've got a whole world of new possibilities. The fusing is similar to a saxophone but it's touch-sensitive and there are eight octave keys. Scales go on forever. I can program it to play six parts at the same time. Which can be a problem. If you aren't looking, it sounds like six players."

U.S. Film, Soviet Set

NEW YORK — What looks like North Dakota might really be Siberia in a new set of English-language romance, adventure and comedy films to be shot in the Soviet Union.

The new Soviet policy of glasnost, or openness, made the arrangement possible, said Marc Jacobson, who completed the deal in April on behalf of Midwest Productions Inc. of Encino, California.

DOONESBURY



GENERAL NEWS

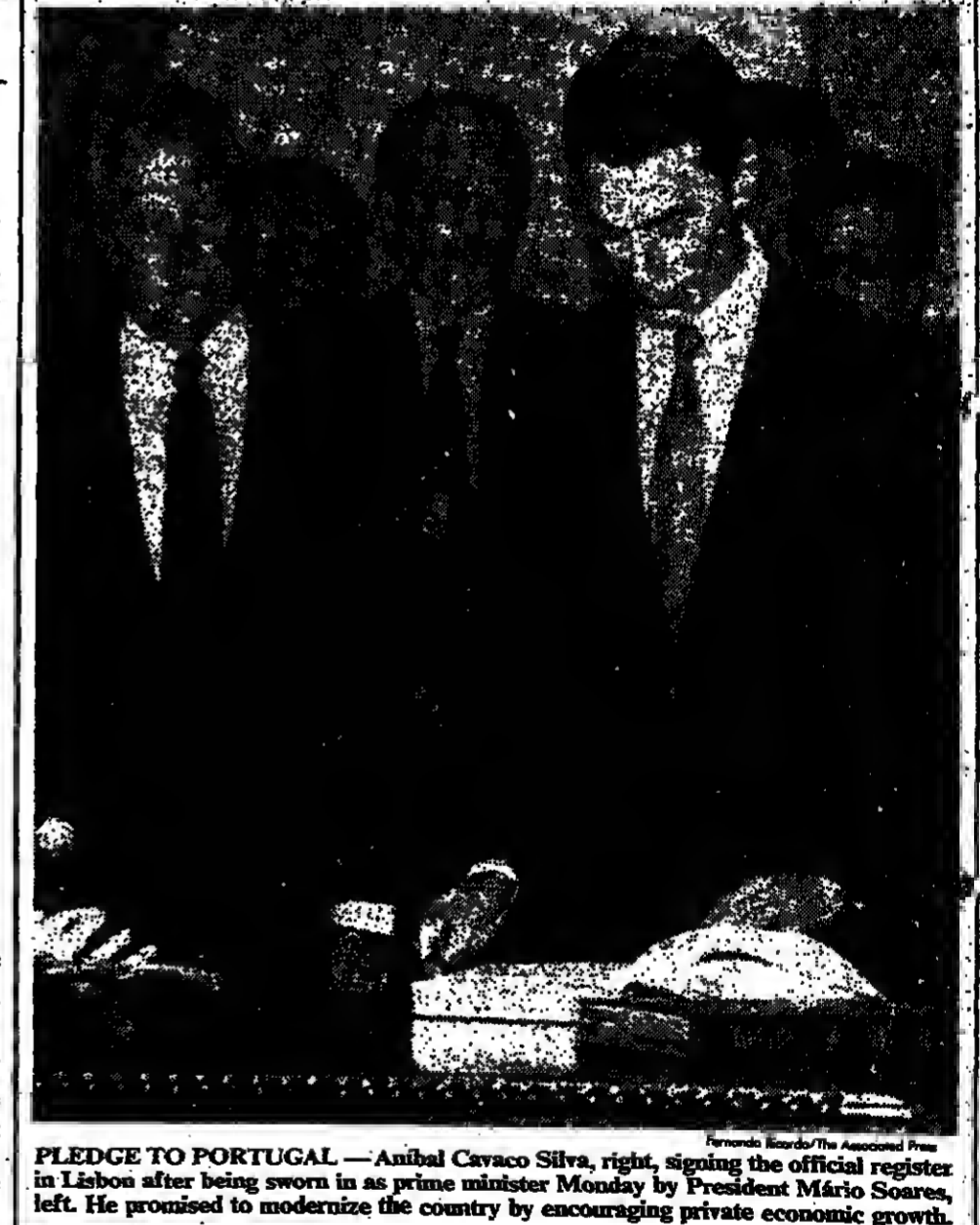
Strength of Guerrillas in Uganda Appears to Falter

By Sheila Rule
New York Times Service
KAMPALA, Uganda — A war against rebels in the north and east of Uganda, a country where tribal, ethnic and political conflicts are endemic, continues to plague the government of President Yoweri Museveni 18 months after he achieved power.

The newspaper said that the dead were among 750 rebels who attacked a railroad station in Soroti, about 200 miles (325 kilometers) east of Kampala.

Three Russian-built helicopter gunships were reported to have arrived in Kampala earlier this month aboard a Libyan C-130 transport plane, and in June the government received short-range anti-aircraft missiles and other arms from Libya.

Most of his soldiers from among the Baganda in the southern region. Many of the northern rebels are former soldiers who are members of Nilotic tribes that dominated the army under past regimes.



PLEDGE TO PORTUGAL — Anibal Cavaco Silva, right, signing the official register in Lisbon after being sworn in as prime minister Monday by President Mário Soares, left. He promised to modernize the country by encouraging private economic growth.

Devastating Drought Perils Crops and Cattle in India

Washington Post Service
HANSI, India — A failure of the annual monsoon rains is threatening this nation of 800 million people with a drought unmatched in decades.

With 23 million tons of grain reserves and a reasonably well-developed transportation system, India has the capacity to avert mass starvation at least for this year, if its unwieldy bureaucracy carries out the pronouncements of the politicians in New Delhi. Still, it is a dramatic turnaround from just a few months ago, when India could boast of being a net food exporter.

Even in areas where there is water available from tube wells, farmers have been reluctant to plant all their fields. Bhagat Ram, an apparently wealthy landowner near Mehan, has a new pump house but his wife says the diesel fuel to run the pump costs too much to irrigate all their fields.

Macao is New North Korea Spy Center, Experts Say
By Nicholas D. Kristof
New York Times Service
MACAO — Behind a two-way mirror on the door of a freshly painted house here, intelligence experts say, is North Korea's new overseas center for espionage.

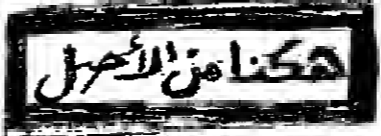
The North Korean spy center that apparently dropped off agents in Burma to organize the bombing docked at Hong Kong, not Macao. Hong Kong does not normally permit North Korean visitors, but it does allow North Korean ships to dock and North Korean sailors to take shore leave.

Macao Is New North Korea Spy Center, Experts Say

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from doing business in this area." Yet Mr. Kim seemed a bit mysterious. Asked for his card, he said that they were in the next room, then that he had run out. Asked for his full name, he paused and answered, "Kim Chol Jun." His own interpreter had to ask him to repeat that name.

Intelligence experts say the top North Korean official in Macao is An Gun Ho, whom they identify as a senior officer in the counterintelligence service. Mr. An was too busy to be interviewed, Mr. Kim said.



Iran Lobs Harsh Words at Saudis but Allows Embassy Visit

By John H. Cushman Jr.
New York Times Service

TEHRAN — Saudi diplomats have returned briefly to their embassy here for the first time since Aug. 1, when the compound was seized by Iranian militants and its staff evicted.

On Sunday, the Saudis led a group of officials, primarily from other Islamic nations, on a tour showing how the embassy's automobiles and offices had been vandalized and safes opened, according to one person who was there.

Nevertheless, the source said, Saudi political officers were smiling, and he said he knew of 100 Saudis missing or hurt.

It was not clear whether the Saudis' credentials, which had been lost during the Aug. 1 takeover, had been returned to them so they could move about freely.

The Saudi Embassy, along with that of Kuwait, was stormed just after hundreds of Iranian pilgrims were killed in Mecca, the Moslem holy city in Saudi Arabia. Iran has blamed the Saudis and the United States for the violence.

Iran has been making its view of events at Mecca known by sending senior representatives to Oman, Libya, Algeria and other Moslem nations. At the same time, the fact that Saudi Arabia was able to show

Islamic diplomats its compound in Tehran seems to indicate flexibility on the part of Iran.

Still, Iranian polemics against the Saudis remain harsh. The speaker of the Iranian Majlis, or parliament, Hashemi Rafsanjani, said in an address to educators on Sunday that although he did not know the cause of a weekend explosion at a Saudi gas plant, "We consider it an invisible aid under these circumstances and in the aftermath of the Mecca catastrophe."

To Iran, there is a close link between the killings at Mecca and the heightened tensions in the Gulf, where U.S. warships are escorting Kuwaiti oil tankers. Saudi Arabia is aiding the U.S. military in this venture, for example, by helping clear mines near Kuwait.

"Instead of taking their orders from Allah, they are taking them from America," said Dr. Vahid Dastjerdi, head of the Iranian Red Crescent, the equivalent of the Red Cross in Iran.

He spoke at a news conference for more than a dozen foreign journalists, including a few Americans, who had been invited to Iran this week to hear the Iranian government's view of the Mecca episode.

Mr. Dastjerdi, who took part in the Iranian demonstration at Mecca

that preceded the violence, said through an interpreter that the Iranians and other Shiites, including supporters of the militant Lebanese Hezbollah, or Party of God, did not provoke the riot but were stoned, shot at and tear-gassed.

Some were killed underfoot, others by bullets, and some died in Saudi hospitals for lack of blood or for other reasons, he said. "We did not go there for fighting," he said.

He called the Mecca demonstration similar to those of previous years both in size and in the manner in which the Iranian pilgrims behaved. Aside from chanting religious slogans, he said, the crowd chanted against the United States, the Soviet Union and Israel.

"I was there as a doctor, as well as accepting the position of the Imam that we should go as demonstrators," he said, referring to Ayatollah Ruhollah Khomeini, the Iranian leader.

There were 155,000 Iranians in Mecca, and the Iranian estimate is that 322 of them died. About 90 bodies have yet to be returned, and perhaps 40 to 50 Iranians are missing, Mr. Dastjerdi said about 4,000 Iranians had been injured. The Saudis have said that about 275 Iranians died.

Late Sunday night, a plane from

Saudi Arabia unloaded the bodies of 37 more Iranians who the Tehran government said had been killed in Mecca.

Soldiers struggled to move the coffins, draped in flags and marked with symbols of martyrdom, up to two waiting trucks, which carried them to the morgue in Tehran. There, a small group of foreign journalists watched as the bodies were displayed. They showed what appeared to be the unstrained eye to be bullet wounds.

The Saudis have said their security forces did not fire at Mecca.

Despite the hard feeling over the incident, diplomats in Tehran said Saudi Arabia and Iran could find a way to maintain some form of normal relations. Saudi Arabia carries too much weight in the Arab and Moslem world to be ignored, they say.

■ **Expulsion Reported**

Saudi Arabia expelled the supervisor of the Iranian pilgrims in Mecca, according to Iran's official Islamic Republic News Agency, monitored in Nicosia by The Associated Press.

The Iranian agency said the supervisor, Hojatoleslam Reza Karubi, and six other Iranian officials were arrested Sunday night and put on a plane to Tehran.

2 Israelis Are Shot In Ambush Near Palestinian Camp

The Associated Press

JEBALYA, Occupied Gaza Strip — An attacker shot and wounded an Israeli soldier and a civilian as they drove past a Palestinian refugee camp, a military official said Monday.

Both men were taken to a hospital in southern Israel after the attack Sunday night, the official said. He described their wounds as medium to serious.

[An anonymous telephone caller said Monday that Force 17, a Palestinian guerrilla group, was responsible for the ambush. Reuters reported from Beirut.]

The Palestine Press Service reported that the civilian was an agent for Shin Bet, the Israeli security service. The military official denied the report but refused to identify either man.

Israeli officials indicated that they believed the attack was the work of Palestinian guerrillas.

In the Jebalya refugee camp, dozens of soldiers fanned out to conduct searches.

The camp, a shantytown of cement huts with about 15,500 residents, is 45 miles (70 kilometers) south of Tel Aviv.

Defense Disputes Photo at Demjanjuk Trial

The Associated Press

JERUSALEM — A defense witness at the Nazi war crimes trial of John Demjanjuk disputed Monday a technique used by the prosecution to verify a photograph of the defendant.

Anita Pritchard, 40, a doctoral student in psychology at the University of the Pacific in Stockton, California, disputed the accuracy of photo montages put together to prove the authenticity of a photograph alleged to be of Mr. Demjanjuk. The photograph appears on a key piece of prosecution evidence, a Nazi SS document.

The prosecution's montage used two snapshots of the defendant, taken in 1947 and 1959. The technique, Ms. Pritchard said, "is vulnerable to misinterpretation."

The document, supplied to Israel by the Soviet Union last year, allegedly proves Mr. Demjanjuk was trained at a Nazi guard at a camp in Poland. The defense contends it is a fake.

Mr. Demjanjuk, 67, a retired

autoworker from a Cleveland suburb, is accused of operating the gas chambers at the Treblinka death camp in Poland, where 850,000 Jews died during World War II.

The defendant, who was born in the Ukraine, contends he is a victim of mistaken identity.

Ms. Pritchard showed the court 12 montages that she did using photographs of Mr. Demjanjuk.

She explained that she matched Mr. Demjanjuk's photographs with magazine pictures chosen at random. In all but two cases, she said, "the matching of the random photographs was found to be similar to the known and questioned photographs of Demjanjuk."

■ **Guard Flees East Germany**

The Associated Press

RATZEBURG, West Germany — A young East German border guard fled over his country's heavily fortified frontier to West Germany, the border police said Monday.

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mum reliability using the same computer techniques (FMEA), which eliminate potential problems already at the design stage.

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and both have exceptionally aerodynamic bodies.

But there are also differences. The BMW can't quite match the top speed of the jet but, on the other hand, you never need landing permission with the 735i. That alone makes them a perfectly matching set.



Wine: A Glut and a Weak Dollar Have Eroded Returns

A new California law eases the rules on reselling wine

Continued From Page 7

rating markets in the United States. Major cities along the East Coast, like New York, are actually larger consumers of French wines, Mr. Parker says. But this phenomenon is cyclical and fluctuates with the changing exchange rates. Currently, "the market is definitely soft for French wines" and American collectors and investors are staying closer to home, he says.

Although brokers are constantly on the lookout for great vintages, only a handful of California vineyards have consistently produced widely recognized, investment-grade wine. The classic success story is the 1951 Beaulieu Vineyards Georges de Latour Private Reserve. The wine sold at a Butterfield auction in June for \$935 a bottle, the most ever paid at the auction house for a bottle of California wine.

"It may be the best California wine ever made," says Dr. B.L. Rhodes, proprietor of Heitz's Bella Oaks label and a well-known collector, who recalls buying the wine at \$15 a case in the 1950s. Vintages in 1951 and 1958, he notes, were exceptional for Beaulieu Vineyards, Inglenook, Louis Martini and Charles Krug, "the four mainstays of the California market."

The highest price anyone can recall for a California wine was \$2,100, paid in 1983 for a bottle of 1936 Beaulieu Vineyards Private Reserve. By contrast, the record for a French wine was \$148,000, paid by Forbes magazine for a

bottle of 1787 Château Lafite believed to have been ordered by Thomas Jefferson.

Except for a few Chardonnays from vineyards such as Sonoma-Cutter and Stony Hill, wines made from Cabernet Sauvignon, the same grape used in Bordeaux, are the only ones considered worthy of investment.

A study of 300 Cabernets from 26 premium California wineries by George Schofield, a wine industry consultant, found the overall average annual rate of return on wines made between 1968 and 1981 was 19.3 percent. While prices for wines up to seven years old performed below average, prices for wines more than seven years old rose substantially faster.

Still, collectors and investors have been taking greater interest in younger wines lately owing that the revised law has uncorked a new supply of older wines and softened their prices.

Mr. Schofield has launched one of California's most innovative wine investment programs. This year, he plans to buy 1983 Cabernet as it comes out of the casks at eight selected California vineyards and age them until 1993 in a humidity-controlled warehouse.

To this "wine aging program," Mr. Schofield offers investors 80-case units — 10 cases of each of the eight wines — at \$11,000 a piece. When they mature, investors can take delivery, sell the wine back to Mr. Schofield at an agreed-upon price or have him broker the wine elsewhere.

"I view this as a mutual fund of



Warren Winiarski, owner of Stag's Leap Vineyard, among the casks.

wines," Mr. Schofield explains. The selection includes some old standards like Robert Mondavi and Beaulieu Vineyards and some quality upstarts like Clos du Val and Chappellet Vineyards.

Meanwhile, Robert Mondavi last March became the first large vineyard to start a more traditional wine futures program by offering 10 percent of its 1985 and 1986 Napa Valley Cabernet Sauvignon Private Reserve to investors before it is bottled.

Some wine experts have taken a dim view of some of the recent programs, especially when they involve big, well-known vineyards. Many of these wines, they caution, will be widely available at release

time. Mr. Parker of the Wine Advocate goes even further. None of the futures programs, he says, are attractive enough for investors because of the relatively narrow market for California wine. "There is a glut of fine wines in the market," he says. "You just don't have enough demand for these wines" to justify investing money in a futures program.

For some, futures contracts offered by California's small vineyards are more alluring. The risk, of course, is greater. Like buying stock in a start-up company, an investor can never be sure that a new vineyard will be around next year. And the industry is still finding out how well these wines age.

The number of wineries in Napa Valley alone has blossomed to 155 this year from 65 only seven years ago, the Napa Valley Vintners Association says. More than three quarters of them make a Cabernet and many of those Cabernets, according to wine collectors, are good quality and in extremely short supply.

Stag's Leap Vineyard, founded in 1971 by Warren Winiarski, offered a futures program to London investors in 1985. Other small vineyards have made similar offerings.

Draper & Esquin's Mr. Gilbertson also recommends lesser known vineyards, such as Laurel Glenn and Spottswoode.

Bordeaux growers even cut prices

Continued From Page 7

market and as "a gesture that we were willing to share lesser margins with the négociant."

Slightly older wines also are feeling the effects of the unstable market at the auction block. Michael Broadbent, wine division manager at Christie's in London, recalls that two years ago a 12-bottle case of 1982 Lafite sold from around \$520 (\$832) to \$700. In recent auctions it has fetched between \$500 and \$550.

Cases of 1982 Margaux have been averaging from \$390 to \$420, significantly lower than in 1985 when a case could go for between \$560 and \$660.

In a way, Bordeaux has become a victim of its own success.

"We've had a series of excellent and plentiful vintages, with only two off years out of the last 10," says Mr. Cottin of Mouton-Rothschild. "That's exceptional."

Moreover, an effort by châteaux owners to maintain price growth in defiance of the mounting oversupply situation exacerbated the market's problems. Many châteaux, mostly producers of the lower or middle ranges of the classified Bordeaux wines, engaged in a game of price lowering between 1983 and 1985. Négociants compounded the problem in 1985 by deciding to increase their margins, resulting in still higher prices.

Then came the dollar's plunge. Americans, who consume perhaps a third of Bordeaux's output and have been an increasingly powerful force in the wine market, began turning away from wine investments as the dollar dropped from around 10 francs in early 1985 to about 6.25 francs at present.

Dennis Overstreet, owner of the Wine Merchant in Beverly Hills, California, says there has been little interest this summer in 1986 Bordeaux futures contracts for wine to be delivered two years later. "It's all no hum," Mr. Overstreet says. "Last year we got a lot of phone calls before the futures were even offered. I haven't seen that enthusiasm this time around."

Even 15 percent price reductions from Bordeaux have failed to rekindle interest largely because the dollar's decline in the past year has wiped out any benefits.

At the auction house, it is much the same story, according to Mr. Broadbent of Christie's. "Many fewer buyers are American than ever before," he says. For example, at an auction of Bordeaux wines earlier this year, only 2 percent of the buyers were American.

Staying Abreast of the Market

There are scores of publications on wine, but here are a few of the better known sources of information.

The Wine Advocate, P.O. Box 331, Parkton, Maryland 21111. This is the newsletter of Robert Parker, probably the most influential commentator on wine and the author of a recent book on Bordeaux. The newsletter is published six times a year and rates as many as a few hundred wines in every issue. U.S. subscriptions are \$28 a year, and foreign airmail subscriptions are \$50.

The Wine Spectator, 400 East 51st Street, New York 10022. This colorful tabloid, which is published twice a month, reviews wines and features interviews with industry personalities. U.S. subscriptions are \$30 a year. A six-month trial subscription cost \$11.95. Foreign subscriptions are \$75.

Decanter, 2-10 St. Johns Road, London SW11. This established British monthly reviews wines and spirits. It also features recipes and interviews with connoisseurs. Subscriptions are £24 in the United Kingdom, £33 in Europe. An U.S. airmail subscription is \$60.

The Wine Journal, 4157 Banyon, Seal Beach, California 90740. This monthly newsletter features regular reports on the status of older vintages and reviews of wines before they are bottled. A U.S. subscription is \$48 a year, and foreign airmail subscriptions are \$58.

Two years ago, he says, Americans comprised more than a third of the buyers.

And despite the relative stability of the U.S. currency in recent weeks, experts still advise dollar-based investors to remain wary. "I understand the Americans' feelings," says John Armit, president of John Armit Wines Investments Ltd. in London. "I'd go very easy if I was dollar-based."

As for investors based in other currencies, Mr. Armit believes 1986 wine from certain châteaux could show nice returns four to six years from now, despite the market's current instability.

His buy list includes Mouton-Rothschild, Margaux, Haut-Brion among the first growths; Léoville Barton, Fichon Lalande and Cos d'Estournel among the second growths; third-growth La Lagune; Ausone of St. Emilion; and La Fleur, Certan-de-May and Vieux Château Certan, of the Pomerol region.

The list is largely in accordance with the preview ratings given the 1986 vintage by Robert Parker, a leading wine expert, in his newsletter, *The Wine Advocate*. Mr. Parker also gives high ratings to Pétrus, L'Arrosée, Beychevelle, Canon, Chambert Marbuzet, Cheval Blanc, Ducru-Beaucaillou, L'Eglise Clinet, Figeac, Grand-Larose, D'Issac, Léoville-Las-Cases, Lynch-Bages, La Mission-Haut-Brion, Montrose, Pouljeaux, Sociando Mallet and Talbot.

Still, most wine market experts acknowledge that the boom days are over for investment-grade wines in the foreseeable future, at least until the market can absorb all the good wine currently in the pipeline.

"The best scenario is that the

1986s will be sluggish and the 1987s will flatten out," says Mr. Broadbent of Christie's.

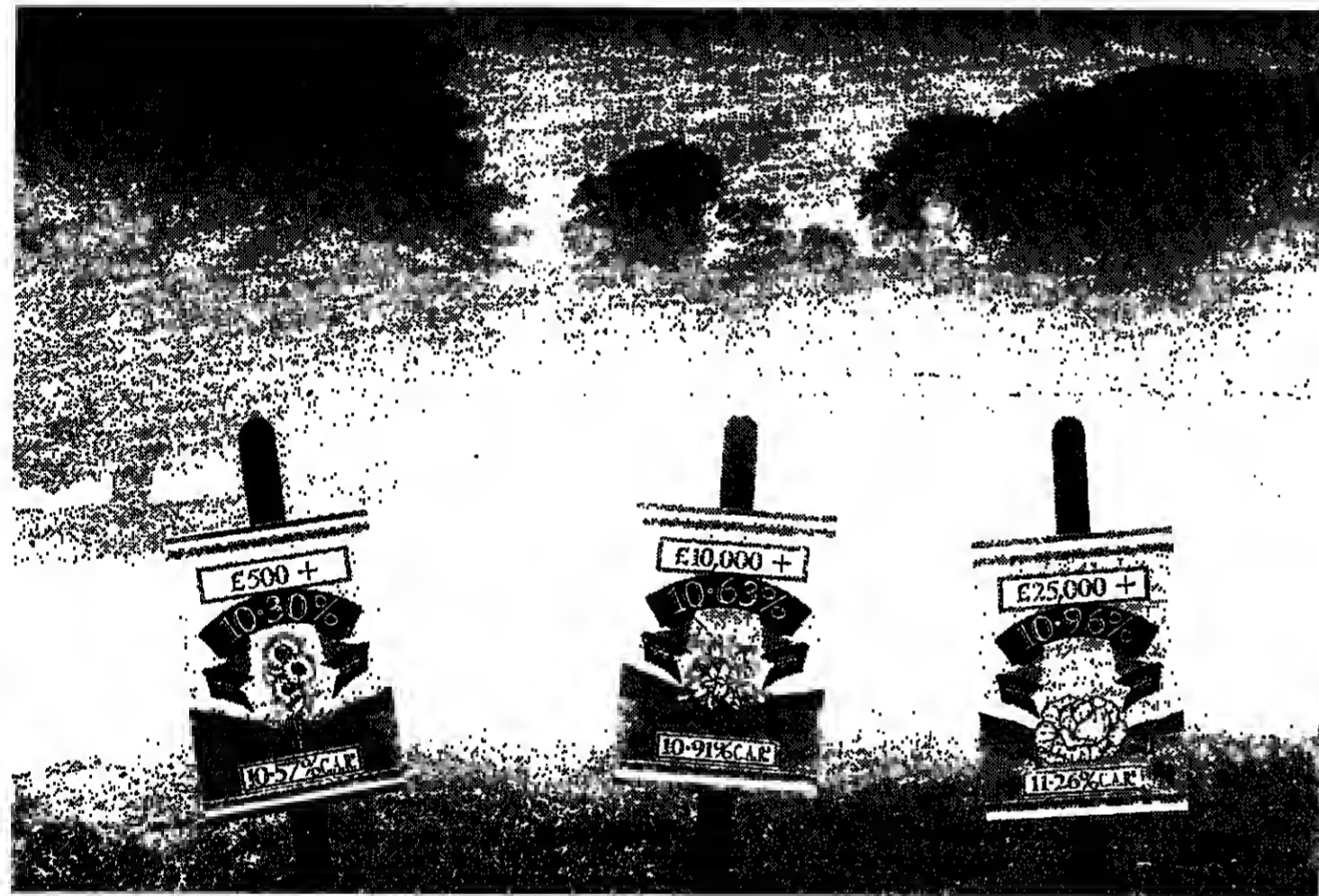
Not surprisingly, in the absence of a sharp resurgence in inflation, many growers and wine investors are counting on a diminished 1987 harvest to stabilize the market. If the wine yield is smaller, but of good quality, the market for 1987 vintages will be strong. If quality is lacking, however, demand for previous vintages will likely improve.

If the harvest proves bigger than expected, wine prices could suffer. In fact, a few experts admit to some concern over the possibility of a collapse in the market, as occurred in the early 1970s after a wave of panic-buying from investors trying to beat high inflation. The large-scale dumping that followed pushed prices down to bargain levels.

"The cracks are already in the egg," says Mr. Overstreet of The Wine Merchant. "If the dollar gets weaker and prices go up a little more, you'll see that market stagger and come apart."

Mr. Broadbent sees another potential problem if wholesalers are forced to sell large stocks of 1985 or even 1983 vintage. "If the banks who lent money to these people see the value of their collateral going down, they may panic and call in those loans. There could be a stampede to sell wine and the bottom would fall out," he said.

But Mr. Armit is not buying either scenario. "The top 21 wines account for only 400,000 cases. There is more interest from Japan, in top quality wines, while Switzerland and Germany remain strong markets. I don't believe there aren't at any time 400,000 people who wouldn't want to take at least one case." □



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For Investors, Timing Is Key

THE timing of any investment is crucial and no more so than in the wine market. For the best returns, investors should enter the market at the earliest possible stage by purchasing wine futures from their local merchant.

A wine future is a contract that covers the purchase of a certain quantity of wine for future delivery, usually within one or two years. Merchants begin offering futures on wine that is still in the barrel — *en primeur* — in the spring after the châteaux have set their prices.

For example, investors who bought futures on 1985 Château Margaux when it went on sale in the spring of 1986 will be able to take delivery of the wine to be bottled later this fall or early in 1988. Of course, many others will never take delivery, having sold their contracts before the wine ever leaves the chateau.

The risk in futures is that the investor must buy before most professionals have had a chance to evaluate the vintage.

While significant appreciation does not usually begin until the wine comes to auction, about four years later, there are instances,

such as with the 1982 vintage, where many futures contract buyers can double their money by the time their wine is delivered.

Although there are emerging secondary markets for other French wines, such as red and white Burgundy and Champagne, Bordeaux has traditionally been considered the best available wine for investment because of its classification system, worldwide popularity and the fact that it improves with age.

Not all Bordeaux is investment-grade, however. Seasoned investors, as well as connoisseurs, limit purchases to relatively few of the 7,000 châteaux in the Bordeaux region. Traditionally, "first growth" wines from the top five — Lafite, Latour, Margaux, Mouton-Rothschild and Haut-Brion — have ensured high quality and good returns.

Some experts favor smaller châteaux that fall into the "second growth" category which produce substantially less than the 20,000 to 30,000 cases that big châteaux produce each year.

Wine investing takes lots of cash and patience. John Armit of John Armit Investments Ltd. in London seeks clients with at least \$35,000 and preferably more than

\$100,000 to spend. In any case, he says, that amount should never be borrowed and it should not represent more than 5 percent or 10 percent of a total investment portfolio. Most experts advise investors to buy between five and 10 cases as a minimum.

Moreover, the investor should be prepared to wait at least four to six years to maximize appreciation of the investment. "Wine is not a liquid investment," he says. "It takes time to sell in order to get the right price."

Transaction costs can be steep. Merchants such as Mr. Armit charge front-end commissions, ranging from 15 percent to 25 percent. And for investors not planning to drink their portfolio, there are sales costs to factor in.

Christie's, for example, charges the individual seller 10 percent of the hammer price as its commission, as well as 10 percent from the buyer.

Moreover, there are shipping and storage costs. Mr. Armit says his clients pay about £1 (\$1.60) a case for the wine to be shipped from Bordeaux to Britain and £3.50 a case each year for warehousing and insurance. □

Jacques Neher

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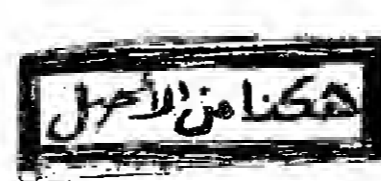
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INTERNATIONAL STOCK MARKETS

Japanese Investors Learn To Love Foreign Shares

By STEVEN BRULL
Reuters
TOKYO — The foreign section of the Tokyo Stock Exchange, a relative backwater just one year ago, is gushing with liquidity these days. Shares in International Business Machines Corp., Compagnie Telefónica Nacional de España, McDonald's Corp., Compagnie Générale des Établissements Michelin and other big-name companies are selling in record numbers, brokers say.

There are sound economic reasons for this trend, according to analysts, although some think the interest goes beyond economics. "Individuals are attracted to these shares as status symbols," said Haruo Nakahara of Prudential Bache Securities (Japan) Ltd. "They want to tell their neighbors they own a piece of IBM."
 Tokyo Stock Exchange figures show that turnover in the foreign section hit a record 205 million shares in July, nearly double the previous record level set in June.
 For the first seven months of 1987, volume on the foreign section totaled 501 million shares, up 150 percent from a year earlier. The value of the shares totaled 2,273 billion yen, up 270 percent.

Individuals, lured by status and economics, are sending TSE's foreign section to records.

The surge reflects purchases by individual investors encouraged by Japanese securities houses, said Hideo Karino, general manager of Nikko Securities Co.'s foreign-stock division.
 By buying foreign shares listed in Tokyo rather than overseas, investors avoid paying double commissions — once in Tokyo and again abroad, Mr. Karino said.
 Institutional investors, who can buy foreign shares directly, normally bypass brokers in Tokyo, he added.
 Company investments helped boost net Japanese purchases of foreign stocks in the first six months of 1987 to \$9.6 billion, more than four times the value of shares bought during the corresponding 1986 period, securities sources said.

BROKERS SAY foreign shares are popular for understandable reasons. "These shares look extremely cheap compared to Japanese stocks," said Seiyu Nakao, manager of global portfolio strategy for Nomura Securities Co.
 U.S. securities typically have price/earnings ratios of 20, compared with about 60 for Japanese shares, Mr. Nakao said. "But the main factor is the stabilization of the exchange rate," he added. Since the yen's surge has stalled in recent weeks, Japanese now feel safer in buying stocks whose prices reflect the dollar's value, he said. At the same time, interest rates have bottomed out, making stocks an attractive alternative to bonds.
 The increase in foreign stock buying in Tokyo is proving advantageous for Japanese securities houses. "It's an easy way for them to expand their range of products with little investment in new facilities," said Mr. Nakahara of Prudential Bache. "They also want to get a leap on foreign securities companies, which now have an advantage in arbitrage foreign stocks."
 Arbitrage opportunities between Tokyo and London could develop in about 20 major issues by the end of 1988, he said. Brokers say that arbitrage between New York and Tokyo is small-scale.

Japanese securities houses are also encouraging the Tokyo exchange's foreign section in hopes of winning new business underwriting shares of foreign companies, Mr. Nakahara said.
 By next year, about 30 foreign companies are expected to join the 60 already listed on the exchange, he said. The Prudential Bache broker added that underwriting was increasingly important to Japanese houses as broking commission fees decline to match international levels.
 "We want to boost our foreign equity trading in Tokyo to 10 percent of total TSE equity turnover," said Mr. Karino of Nikko Securities. Trading in foreign stock constituted about 1 percent of turnover in July.

A Rueful Swatch Tries to Stay in Sync

Apparel Foray Took Its Eye Off Watches

By Claudia H. Deutsch
New York Times Service

NEW YORK — Managing a company with a wildly successful product can be like riding a roller coaster. You don't try to steer it or regulate its speed. First, you hang on and enjoy the view. Then, if you stay on too long, you get sick.
 That is what managers at Swatch Watch U.S.A., the company that turned an inexpensive Swiss watch into a fashion phenomenon, are beginning to recognize.



Gene Maggo/The New York Times

In less than four years, Swatch has metamorphosed from a simple watch marketer to a distributor of all kinds of fashions that had \$200 million in sales in 1986. Swatch is a subsidiary of Société Suisse de Microélectronique et d'Horlogerie, or SMH, Switzerland's largest watchmaker and supplier of watch movements.

Last year, for the first time, Swatch encountered inventory problems, cost overruns and a number of other unexpected bumps in the road. Now the company is on a hiring spree, looking for executives who can bring some discipline to what had become unbridled growth.
 "Up until a year ago, running Swatch was a no-brainer," said Sanford J. Roland Jr., Swatch's executive vice president. "But now we have to roll up our sleeves and get to work. Instead of the business managing us, we have to manage the business."
 That is an unusual statement for Swatch. Ever since the first Swatch watches hit American shores in the fall of 1983, it has seemed as though every other thing the company did turned out right.
 It bypassed jewelers, the traditional outlets for Swiss watches, in favor of department stores, and the country's top retailing chains signed on to stock Swatch products.
 It pushed watches as fashion accessories, and American teenagers started wearing two, three,

even four watches at once. A few months ago it introduced the Pop Swatch, a watch that can pop out of its case and be worn on a sleeve, a sock, a pocket, anyplace at all. Retailers say that the item sells out as soon as it comes in.
 The company has made forays into accessories and apparel, and plans to introduce Swatch shoes next year. There is talk of a wrist "data bank" — a watch that would store, say, telephone numbers. And SMH will announce a Swatch telephone this fall.
 "They are like mercury on a marble table top. You try to put your hand on it, and it's already moved," said Sidney G. Stricker, a partner in Stricker & Zagor, a New York firm that Swatch has hired to recruit marketing and advertising executives.
 But last year Swatch crossed the fine line between excitement and turmoil. It angered retailers by running short of watches before sales peaked, yet found itself with overstocks of numerous clothes and accessories. Although Swatch has refused to provide fig-

ures, executives concede that costs skyrocketed and profits dipped.
 SMH, which makes Tissot, Omega, Rado and other well-known watch brands, tried to solve the problems by sending in Swiss experts. Swatch had three presidents in 1986, a kind of instability that does not foster confidence among retail buyers.
 "They're just not sure of how to produce in the quantities that customers want," said one merchandise manager who asked not to be identified.
 The upshot is that U.S. retailers are growing wary of the company. Swatch merchandise is a proven hot seller. But the retailers say that Swatch's delivery is so erratic that they would only introduce new Swatch products gradually, rather than blanket their stores with Swatch items and risk disappointing customers.
 "If they had a new product tomorrow, I'd send all of my buyers to New York to get it," said Herbert Ross, president of Laza-

rus, a chain of 45 department stores in the South and the Middle West. "And we'd shake all the way home, worrying whether they could ship enough goods."
 Back in the early 1980s, Swatch's only purpose was to put an ailing Swiss watch industry back on the map. When watches used mechanical movements, Switzerland ruled the watch market. But the advent of inexpensive electronic watch movements transferred dominance to the Japanese.
 "To keep our industrial bases alive, we had to get back into the cheap watch business," said Jacques Iringer, an SMH executive who is also president of Swatch Watch U.S.A.
 SMH's technicians went into the labs and came out with the plastic Swatch, a name derived by contracting the words "Swiss watch." The Swatch is made on a fully automated production line, and its parts are welded, not screwed, together. That construction makes the watch almost im-

Philips to Pay \$600 Million for Rest of U.S. Unit

By Ronald van de Krol
Special to the Herald Tribune

AMSTERDAM — Philips NV, the Dutch electronics giant, said Monday that it planned to launch a \$600 million tender offer for the 42 percent of the ordinary shares of its U.S. subsidiary, North American Philips Corp., that it does not already own.
 Philips, which is increasing its control over national subsidiaries that once operated fairly autonomously, said it would pay \$50 in cash for each of the 12 million North American Philips shares held by private investors.
 The U.S. unit said its board had appointed a special committee of outside directors to evaluate the proposal. The Associated Press reported from New York. Such an examination is a legal requirement to protect minority shareholders from an unfairly low offer. After the committee's report, the board will make a recommendation to shareholders.

managed by Goldman, Sachs & Co., will last for 20 working days.
 North American Philips produces consumer electronics such as televisions and electric shavers under the Norelco and Magnavox brands. It is active in lighting, electronic components and professional electronic equipment and systems.
 Philips said it expected that NAPC, which posted a profit of \$68.5 million last year on sales of \$4.5 billion, would continue to be based in New York after a merger with FGP. NAPC's businesses would also continue to be run within the subsidiary's existing management structure, it added.
 Cor van der Klugt, chairman of Philips, said it was moving to take full control over its U.S. subsidiary to boost the group's competitive worldwide.
 This change is part of a year-long shake-up at Philips aimed at concentrating control at company headquarters in Eindhoven.

Stock of the U.S. subsidiary jumped 26 percent in late trading on the New York Stock Exchange, to \$53.125 a share from Friday's close of \$42. Analysts quoted by Reuters in New York said this premium over the offer price indicates that the board might ask the parent to pay more, but not above \$55 per share. The offer exceeds the stock's record high of \$48 last year.
 Several stock speculators said they expect a higher offer in part because of the history of bids made by foreign parents for their U.S. subsidiaries, Reuters added.
 In the past two years, both British Petroleum Co. and Royal Dutch/Shell Group raised their offers for their majority-owned U.S. units after being faced with suits from minority shareholders.
 A Philips spokesman, Ben Geerts, said the unconditional tender offer would be made no later than Friday by FGP Corp., a U.S. subsidiary that was set up this month to effect a merger with North American Philips. The offer,

Operating Rate Improves in U.S.

Reuters
WASHINGTON — U.S. factories, mines and utilities operated at 80.5 percent of capacity in July, up from a revised 80.1 percent in June, the Federal Reserve Board said Monday.
 The July rate was the highest since January 1986, when the rate was 80.9 percent. The Fed revised June's rate upward from 79.7 percent.
 The manufacturing capacity use rate rose to 81.0 percent in July from 80.5 percent in June, reflecting improvement in primary metals, especially steel, the Fed said. The operating rate in mining rose to 76.3 percent from 75.4 percent in June and included gains in oil and gas extraction as well as increased output of metal ores and coal.

In Peru, Rift Over Bank Plan Appears to Reflect Deeper Political Worries

By Alan Riding
New York Times Service

LIMA — A government plan to nationalize the country's private banks has polarized Peru more deeply than any issue since democracy returned here seven years ago.
 Huge public demonstrations for and against the move are being held almost daily, and the government and opposition are exchanging angry charges.
 President Alan García Pérez, 38, a left-leaning populist, announced the nationalization plan on July 28. He argued that development of this impoverished nation is being held back by the power of a tiny financial elite.
 Noting that his objective is simply "to democratize credit," Mr. García also promised that the bank nationalization would mark the beginning of "an authentic revolution that will favor the poorest of Peruvians."
 The owners of the 10 commercial banks and 23 financing and insurance companies affected have mobilized to defend their interests. But the strength of the opposition appears to reflect deeper worries about the direction of the García administration.

Specifically, many critics have charged that a state takeover of the financial system could threaten democracy by concentrating power in the hands of Mr. García and his social democratic American Popular Revolutionary Alliance.
 Despite the mood of confrontation, the nationalization itself appears to be unstoppable.
 An appropriation bill to implement the plan was approved by the Chamber of Deputies last Thursday, and was to be taken up this week by the Senate, where Mr. García's party's majority will be swollen by the United Left, a leftist alliance.
 Nonetheless, the crisis marks a watershed in the two-year-old government of Mr. García, who until now had maintained a delicate balance between wooing the private sector and promoting social programs to help the poor majority.
 Suddenly fearing that the government will follow up with further nationalizations, many in the business community say they are reluctant to make new investments.
 Many middle-class Peruvians who had supported the government have also expressed alarm over the political implications of nationalization.



Alan García Pérez

particularly combative role in opposing a bank takeover.
 Addressing a protest meeting in Lima on Friday, the leader of the conservative Popular Christian Party, Luis Bedoya Reyes, cautioned against violence or plots, "because we must learn to live within democracy."
 But he said that citizens should be ready at all times to mobilize "in defense of freedom."
 In his responses, Mr. García has in the main sounded conciliatory, emphasizing that the bank action involves "nationalization on behalf of the nation" rather than expansion of state power.
 The president also adhered to a court order that suspended temporary government administration of the financial institutions while courts study whether it violates bankers' constitutional rights.

Mr. García said he would await congressional approval of the expropriation bill.
 "We must respect the constitution because if we step on one twig of illegality, the right will take advantage and perhaps bring on a dictatorship," he said.
 But in a swing through northern cities last week, Mr. García was more pugnacious, referring to top bankers as feudal lords and portraying the controversy as a revolutionary struggle between the country's poor Indian masses and a privileged elite.
 Still unanswered is why the president decided to move against the banks. Many foreign diplomats and local politicians do not believe it was for ideological reasons.
 "He is beginning to lose popularity, to lose control of his party," one diplomat said, "so he looked for some dramatic way of recovering the initiative. The banks were an easy target."
 Political commentators said the president was also disturbed by recent challenges to his leadership within the ruling party, which has often complained of being ignored.
 These tensions came to a head in June when Luis Alva Castro, who hopes to be the party's nominee in the 1990 elections, resigned as prime minister against the president's wishes.
 Mr. García opposed Mr. Alva's candidacy for president of the Chamber of Deputies, but Mr. Alva was successful.
 Noting that the president announced his move against the banks without consulting the party, one government politician speculated that Mr. García was motivated at least in part by a desire to force the party to close ranks around him.

Currency Rates

| Cross Rates | Aug. 17 |
|---------------|---------|
| Amsterdam | 2.146 |
| Berlin (West) | 1.727 |
| Frankfurt | 1.727 |
| London | 1.635 |
| Paris | 1.336 |
| Stockholm | 1.336 |
| Switzerland | 1.483 |
| Yen | 163.5 |

Interest Rates

| Eurocurrency Deposits | Aug. 17 |
|-----------------------|---------------|
| 1 month | 6 1/4 - 6 3/4 |
| 3 months | 6 1/4 - 6 3/4 |
| 6 months | 6 1/4 - 6 3/4 |
| 1 year | 6 1/4 - 6 3/4 |

Vietnam Drafts Foreign Venture Law But Diplomats Doubt Ravaged Economy's Lure for Investors

Reuters
HANOI — Vietnam is putting the finishing touches on a liberal foreign investment law that marks a bold bid by the impoverished country for Western capital and technology.
 But diplomats said they doubted that the proposed rules would lure foreign businesses to Vietnam, which they described as an economy in shambles.
 The envoys also see the draft law as a litmus test of the influence of reform-minded senior officials within the Communist Party.
 Luu Van Dat, head of the drafting commission, said the new law would allow wholly owned foreign ventures to operate in Vietnam.
 The measure also would allow joint ventures with the foreign stake ranging up to 99 percent, Mr. Dat added. A 1977 measure that failed to attract significant investment had placed a 49 percent ceiling on the proportion of foreign investment.

Mr. Dat acknowledged the drawbacks and said that investment would come only gradually.
 But both he and foreign diplomats said that Vietnam presented some advantages. Its citizens are regarded as diligent, disciplined and hungry for work, even at low salaries. There are no strikes.
 The envoys also said that entrepreneurial skills had survived in the better developed southern part of the country, formerly South Vietnam, and that such experience was now encouraged by the government in Hanoi.
 Management of joint enterprises will be proportional to investment, the draft law says, and foreigners will be allowed to become managing directors. Other Communist countries insist that their own nationals be senior managers in joint ventures.
 The code gives priority to enterprises that make goods for export, use high technology, are labor-intensive, develop services such as ship repair or tourism, or exploit natural resources such as timber, fish and minerals.
 Such priority ventures will pay a 20 percent tax on profits, and others 25 percent. Reinvested profits will be taxed at 10 percent, but the priority ventures will pay no tax on reinvested profit for two years.
 Equipment used to produce goods for export will be imported duty-free to Vietnam.

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Key Money Rates

| Key Money Rates | Aug. 17 |
|-----------------------|---------|
| 3-month Treasury bill | 6.44 |
| 6-month Treasury bill | 6.44 |
| 9-month Treasury bill | 6.44 |
| 1-year Treasury bill | 6.44 |

Gold

| Gold | Aug. 17 |
|--------------|---------|
| Gold price | 328.00 |
| Gold futures | 328.00 |
| Gold options | 328.00 |

Monday's NYSE 3pm

(Continued)

Table of stock market data including NYSE, AMEX, and OTC listings with columns for stock names, prices, and changes.

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U.S. Futures

Table of U.S. Futures market data including Grains, Livestock, and Metals with columns for contract names, prices, and changes.

Currency Options

Table of Currency Options market data including Philadelphia Exchange and other options with columns for contract names, prices, and changes.

Table of international market data including European Currency Unit, British Pound, Canadian Dollar, Japanese Yen, and other currencies with columns for contract names, prices, and changes.

Stock Indexes

Table of Stock Indexes market data including NYSE Composite, Dow Jones, and other indices with columns for index names, current values, and previous values.

Pearson Profit Rose 16% in Half On One-Time, \$14 Million Gain

LONDON — Pearson PLC said Monday that pre-tax profit for the first six months of the year rose 16 percent to £51.2 million (\$81.2 million) from £44.1 million a year earlier, because of an extraordinary gain.

U.K. Sales Climbed 1.4% in July

LONDON — The volume of retail sales in Britain grew 1.4 percent in July, according to preliminary figures advised for seasonal variations, the government reported Monday. Sales had risen 3.2 percent in June from the previous month.

Gold Is Rising With U.S. Stock Market As Investors See Share Drop Looming

By H.J. Maidenberger New York Times Staff Writer NEW YORK — Few groups of investors have been as ecstatic over the soaring stock market this year as the gold bugs, who normally view such traditionally pessimistic economic news as a disaster. Have the investors in gloom and doom suddenly been converted into optimists? Hardly. Rather, the gold bugs view each record-breaking advance in stock prices as a step closer to the inevitable end of the bull market.

Schwab to Market Chase Certificates

NEW YORK — Chase Manhattan Corp. said Monday that Charles J. Schwab & Co. would help it promote and distribute its certificate of deposit, which pays interest on any increase in Standard & Poor's Corp.'s 500 Index.

Paris Commodities

Table of Paris Commodities market data including SUGAR, COFFEE, and other commodities with columns for contract names, prices, and changes.

London Commodities

Table of London Commodities market data including SUGAR, COFFEE, and other commodities with columns for contract names, prices, and changes.

Dividends

Table of Dividends market data including company names, dividend amounts, and dates with columns for company names, dividend amounts, and dates.

S&P 100 Index Options

Table of S&P 100 Index Options market data including contract names, prices, and changes with columns for contract names, prices, and changes.

DM Futures Options

Table of DM Futures Options market data including contract names, prices, and changes with columns for contract names, prices, and changes.

U.S. Treasuries

Table of U.S. Treasuries market data including contract names, prices, and changes with columns for contract names, prices, and changes.

Hyundai to Send Chips to TI

TOKYO — Hyundai Electronics Industries Co. will supply 64- and 256-Kilobit dynamic random access memory chips to Texas Instruments Inc., a spokesman for Texas Instruments Japan Ltd. said Monday. The contract will help Texas Instruments concentrate on making one megabit DRAMs, he said.

Honda to Boost U.S. Output

TOKYO — Honda Motor Co. is planning to boost its annual North American car production to 100,000 units in the next three years with the goal of selling 1 million cars a year in the United States by the 1990s, a spokesman said Monday.

Advertisement for Revlon cosmetics and ASE-1 products, featuring text and graphics.

Revlon Makes 3d Offer for Gillette

NEW YORK — Revlon Group Inc. on Monday made a third attempt to gain control of Gillette Co. with an offer of \$47 a share, \$6.50 a share more than an offer Gillette rejected in June.

Mr. Perelman said he would be willing to submit his new proposal to Gillette shareholders "and be bound by their decision."

Hawley Bids \$635 Million For ADT, the Alarm Maker

LONDON — Hawley Group Ltd., an industrial services conglomerate with major U.S. interests, said Monday that it had offered \$635 million to acquire ADT Inc., the largest American maker of security systems.

Quadrex, B&C to Divide Mercantile House's Units

By Warren Getler International Herald Tribune LONDON — A protracted bidding war for Mercantile House Holdings PLC, a financial services group, ended Monday when British & Commonwealth Holdings PLC and Quadrex Holdings Inc. said they had agreed on a division of Mercantile's assets.

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ASEA Will Buy Majority of Elektrisk

By Juris Kazz International Herald Tribune STOCKHOLM — ASEA AB, the Swedish electrical and engineering group, said Monday that it was buying a majority interest in Elektrisk Bureau AS for 1.4 billion Norwegian kroner (\$205 million), as part of moves that will create Norway's largest private industrial corporation.

Approval is needed from the boards of ASEA and Elektrisk, and from the Swedish and Norwegian authorities.

In Stockholm, Haskan Holmberg, an analyst at Consensus Foodkommission, said that rumors about an ASEA bid for Elektrisk had been circulating since the beginning of the year.

Michael A. Ashcroft, Hawley's chairman and chief executive, said that Hawley was No. 4 in the U.S. security systems business, which it entered in 1981. "This bid is a natural progression for us," he added.

Plenum Raises Its Bid for Little

NEW YORK — Plenum Publishing Corp. said Monday that it had increased its offer for all shares of Arthur D. Little Inc., the U.S. consulting company, to \$55 per share, or \$141 million, from its July 13 offer of \$50 per share or \$128 million.

Elektrisk Bureau will be Norway's largest privately owned corporation, although Norsk Hydro, the energy, metals and mining group in which the state has an interest, is considerably larger in terms of sales.

Unilever Pretax Profit Climbs 20% To £373 Million, but Shares Slip

LONDON — Unilever Group, the British-Dutch consumer goods giant, reported Monday that pretax profit rose 20 percent in the second quarter to £373 million (\$593 million at current exchange rates) from £310 million one year before. It said most of its products contributed to the higher earnings.

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Chrysler Corporation has acquired American Motors Corporation including 41.4% of the Common Stock and certain other securities owned by Régie Nationale des Usines Renault. The undersigned acted as financial advisor to Régie Nationale des Usines Renault. LAZARD FRÈRES & Co.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 17th Aug. 1987. Table listing various international funds with columns for fund name, currency, and price/quote.

Dollar Falls Further on Trade Data

NEW YORK — The dollar fell steadily Monday in what dealers said probably was a lingering reaction to the report Friday of a bigger-than-expected U.S. trade deficit. Trading was thin.

London Dollar Rates table with columns for currency, rate, and change.

It is so thin just about anything can move it. She suggested that the dollar's losses "were nothing more than a few dealers squaring off some positions."

U.S. Fraud Unit Investigates Texas Thrifts; Failures Cited

DALLAS — More than 20 thrift institutions in north Texas suspected of participating in fraudulent transactions in recent years are the focus of one of the biggest U.S. investigations of white-collar crime ever mounted, government officials said.

SWATCH: Challenge Is to Keep in Sync With Demand

(Continued from first finance page) one thing to distribute a product that your parent company invented and manufactures. It is quite another to identify the best sources for various types of apparel, figure out how much to pay per piece and how much to sell them for.

They're just not sure of how to produce in the quantities that customers want.

— A store manager

pllers and guessing at what quantities to order.

Many of those guesses were wrong. Swatch would up paying premiums for rush deliveries of items for which it had underestimated demand, and huge carrying charges for items that it had overstocked.

"When you have 2,000 unsold Swatch umbrellas in inventory, you lose money very quickly," Mr. Iringer said.

Mr. Roland remarked, "Sometimes your appetite is just bigger than your stomach. We made too much apparel too soon."

Last year, Mr. Iringer returned to Switzerland, where he is handling worldwide marketing for Swatch International.

Oil Slips Below \$20, Reflecting Surplus

NEW YORK — U.S. crude oil prices fell below \$20 a barrel Monday for the first time since June, traders and analysts said, reflecting surplus stockpiling worldwide.

Over the past two weeks to more than \$25.50 a barrel, analysts said.

Stephan Smith, an oil economist with Bear Stearns, said that rising inventories were pushing prices lower. Fears of a supply interruption from the Middle East prompted oil companies to stock up on crude oil supplies, even though summer is a low demand season.

Ed Krapels of Energy Security Analysis Inc. said that an average 2.6 million barrels a day of crude was added to world stocks in July, bringing total stocks to 2.1 billion.

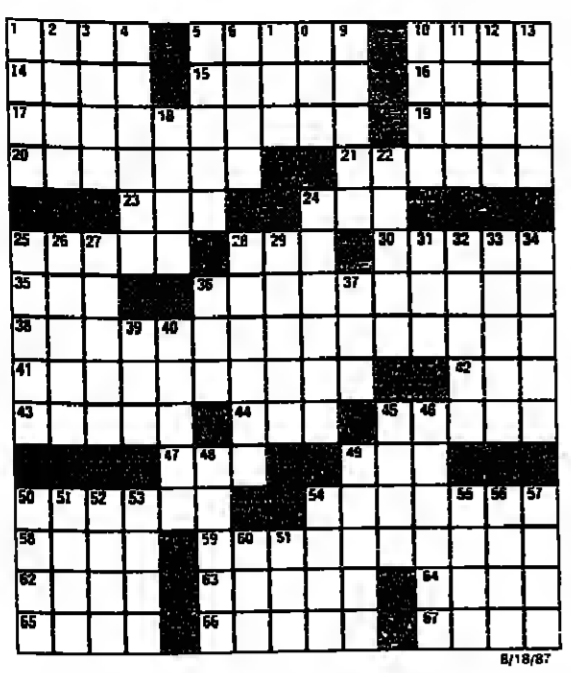
Greenspan, at His First Key Fed Meeting, Is Expected to Keep Policy Steady

By Michael Quint NEW YORK — Alan Greenspan will assume the mantle of real power at the Federal Reserve Board on Tuesday, when he acts as chairman for the first time at a meeting of the Federal Open Market Committee.

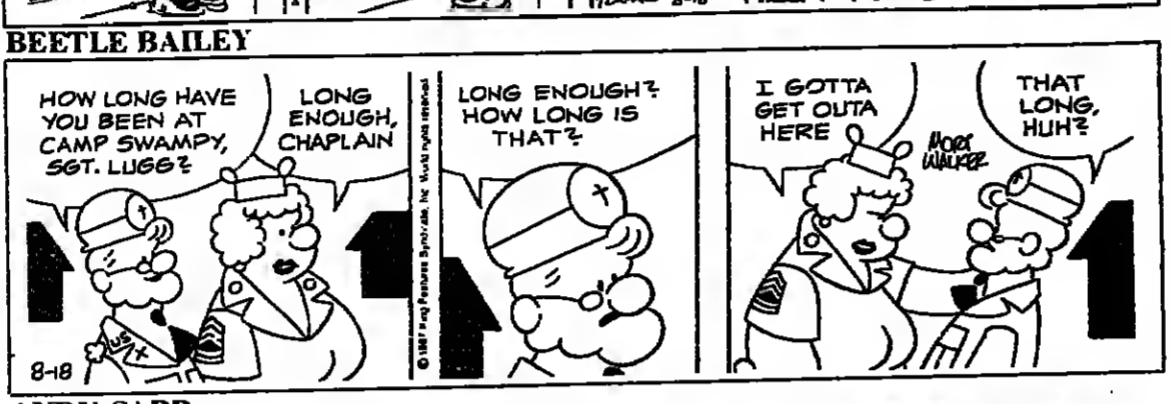
vote each, the chairman, because of his title and his grasp of the economy and financial markets, usually can swing votes in support of his position on issues.

ly auctioned 30-year bonds dropped more than 1/2 points. By late in the day, after the dollar had stabilized and Treasury bonds had recovered and moved to new highs, there were different interpretations of the morning's action.

Large financial table with multiple columns for stock prices, including sections for Monday's OTC Prices, various stock indices, and individual stock listings.



ACROSS 1 Jellifies 2 Place 10 Phalanx 14 Declan 15 Valentino's dance 16 Volcanic output 17 He portrayed Tevye on stage 19 The yoke's on them 20 Saint — cross 21 Realm 23 Jimjams 24 Govt. agency 25 Perfume 28 Smugler's catch 30 Provide food for a fee 33 Guadalupe 36 Signifying, with "of" 38 Hanks-Gleason film: 1986 41 Ancestors 42 — all 43 Father of Indra Gandhi 44 Xenon, e.g. 45 Metal fastener 47 "Norma" 49 — the ramparts...



BOOKS

THREE CONTINENTS By Ruth Praver Jhabvala. 304 pages. \$18.95. William Morrow, 105 Madison Avenue, New York, N.Y. 10016.

Reviewed by Walter Goodman WHEN we meet Harriet Wishwell, the Ruth Praver Jhabvala's new novel, she and her twin brother, Michael, are 19 years old and at loose ends. Sons of a rich and prominent old American family, they have spent much of their youth kicking around embassies run by their grandfather, an ambassador. Before you know it, the two young dropouts are picked up by a world movement, involving espionage, led by a plump Indian named Rawul, and agree to give the movement the wealth they will inherit when they come of age.

The dates are vague, but we are told that "A lot of time has passed and what has happened has happened." Let us assume that the events recalled in the 1980s occurred in the 1950s. By now the middle-aged Harriet must have learned something, but she writes with the mind and heart of a 19-year-old who just doesn't know what's not good for her. Harriet and Michael both fall for Crishi, Rawul's adopted son, whom everyone, not least the reader, can spot instantly as our hero is the kids' money. The thing about Crishi is that he's sexually irresistible to both sexes and all races. Charismatic, you name it. No sooner does he touch Harriet than she becomes "a

flame of desire." Even as revelations pop out of Crishi's present infidelities and past affairs, his shady activities and fits of violence, Harriet can't break away. Can it be that this is really a novel about an innocent rich girl in the clutches of an unscrupulous fortune hunter? Or is she afraid?

Crishi's provenance is as exotic as a reader's popular novels could ask. He's the illegitimate offspring of a part-Assamese mother who married a Portuguese salesman and moved to Goa and now lives in Hong Kong with a Chinese wife. Crishi, too, has kicked around the world, with interludes in jail, before attaching himself to Rawul and to the guru's happy accomplice, Renée, who is a blend of Indira Marcos and Tammy Bakker.

After Harriet and Crishi marry, Renée is in the art-smuggling game, takes to joining them in their bedroom after dark. Harriet's little put off at first, but being Harriet, she accommodates herself. "I had a slight sense of having been abandoned but it didn't last long — no longer than it took to get up and back to our room, where Crishi was again on the bed with Renée, holding her in his arms, though not so engrossed in her that he couldn't acknowledge me over her shoulder. In the amused conspiratorial way he nowadays had with me," is that a touch of self-satire? Unfortunatly, "Three Continents" is delivered straight. It is West bumping into East in a glib variation on a theme of Henry James and E.M. Forster.

Warnings against Crishi come from Harriet's own family, but Harriet is in no mood to hear distressing news about the man who has turned her on. "He had aroused me so deeply that the sex he gave me — I mentioned only to me — was absolutely essential to me. Deprived of it, I was as if without breath and arrived at myself as a starved animal." She writes of herself as "a starved animal," a "starving young dunny" allowing herself to be exploited by a cad is a lot. It's a relief whenever the story moves away from Harriet to the doings of Rawul, a babyish sort of guru, who is as innocuous as Harriet, but knows how to protect himself. When Crishi bursts out at Harriet, "Are you stupid or something?" you have to grant that the racial may not know much about the wisdom of the East but he's wise to Harriet.

Walter Goodman is on the staff of The New York Times.

DENNIS THE MENACE



USCRAMBLE THESE FOUR JUMBLIES, ONE LETTER TO EACH SQUARE, TO FORM FOUR ORDINARY WORDS. NITKH, DUGAY, INNEAC, WOLFE. ANSWER: THE GUEST LOUSY VALISE RARELY. Answer: What's the real secret of youth? — LIE ABOUT YOUR AGE.



CHESS

By Robert Byrne

THE first Interzonal Tournament in Subotica, Yugoslavia, has ended in a tie for first place among Nigel Short and Jonathan Speelman of Britain and Gytis Sax of Hungary.

These three grandmasters have thus qualified for the next stage of qualifications for the world championship play — the candidates' matches — which begin in St. John, New Brunswick, in January. They will be joined by three qualifiers from the second Interzonal in Szikar, Hungary, and three from the third Interzonal in Zagreb, Yugoslavia. To these nine candidates will be added the four semifinalists from the last candidates' matches — Andrei Sokolov, Artur Yusupov and Rafael Vanagan of the Soviet Union and Jan Timman of the Netherlands.

Short's aggressiveness was strikingly evident in the speculative gambit with which he defeated Amador Rodriguez, a Cuban grandmaster. In the form of Richter-Rauzer Attack that the game followed, it is standard for White to seize a pawn with f2-f3, but Short brazenly offered the pawn with 12 B-K2!.

Table with chess board diagram and move notation: 14... P-Q4 gives Black a fine game. 15... N-B3 to save the black KNP and then 15 B-KB3 forced 15... P-Q4 in view of 15... R-QN1; 16 B-R7, winning the exchange. The basic point of this fascinating gambit was to exploit 8... P-R3 by 18 P-N4 and 19 P-N5 to open a critical file against the Black king. Rodriguez might have tried 18... N-B2, 19 P-N5, 20 P-KR4, B-B3; 21 P-N5, BxB; 22 RxB won't secure a powerful mating attack for White. Short forced a rupture of the pawn guard of the Black king with 23 P-N6! ready to demolish counterattack with 22... P-K4 by 23 BxQP, PxB; 24 Q-R3, N-B3; 25 RxF (threatening 26 R-R4); Q-B2; 27 R-QB1, B-B5; 28 RxB, QxR; 29 BxP, RxF; 30 QxRch, K-R2; 31 BxR.

Table with chess board diagram and move notation: On 25 QR-KB1, defense by 25... N-B3 would have been destroyed by 26 BxN, PxB; 27 KR-N1, K-K2; 28 B-R5, QxB; 29 Rxfch, K-K2; 30 QxPch, K-Q1; 31 QxNmate.

World Stock Markets

Table showing stock market data for various regions: Amsterdam, London, Helsinki, Hong Kong, Frankfurt, Johannesburg, Sao Paulo, Toronto, Zurich, Sydney, Tokyo. Includes indices and prices for various stocks and currencies.

Market Closed

The stock market in Brussels was closed Monday for a holiday.

Table with weather forecasts for Europe, Asia, Africa, Latin America, North America, Middle East, Oceania. Includes high/low temperatures and weather conditions.

WEATHER

Table with weather forecasts for Europe, Asia, Africa, Latin America, North America, Middle East, Oceania. Includes high/low temperatures and weather conditions.

Table with financial data and market information, including stock indices and prices for various markets.

SPORTS

6 Inches Off Record, Lewis Jumps to Gold

INDIANAPOLIS — Just about everybody in the stadium was watching Carl Lewis poised on the runway, ready to leap all the way to Beamonville. For all his victories, medals and honors, Lewis had never jumped for a world record distance or won a gold medal at the Pan American Games.

What was Lewis watching? Five bright strips of plastic, fluttering inconsistently in the wind. Those five strips — green, red, yellow, black and blue — were banded together as a technical wind sock, just to the left of the runway.

The wind was nominally from the south, but sometimes the strips blew east, sometimes north, sometimes west. Only a meteorologist could explain gyrating winds that varied by as much as 19 miles per hour (30.5 kph) on one of the six rounds of jumping. "It was crazy," said Lewis's coach, Tom Tellez.

It was important to watch the strips because any breeze over 4.473 mph at a jumper's back would keep his effort from being a record for the world, for the Pan Am Games or for Indianapolis on a Sunday.

A wind blowing toward an athlete could impede even the best of leaps, but each competitor had only 90 seconds to take his jump.

"You had to be able to catch a wind," Lewis said, after setting a Pan Am record of 28 feet 8 inches (8.75 meters), with a legal wind at his back. "It was the type of day you could have stepped up with three times the exact same wind. Or in three times they could be totally different. You just try to make the adjustment and do the best you could do."

So Bob Beamon's world standard of 29-2 1/2, set in Mexico City almost 19 years ago, remained intact. But Lewis's was the sixth-best jump of all time, and it gave him his 51st consecutive victory.

He beat Larry Myricks, the Alydar of U.S. long jumping, who jumped 28-1/4 with too much wind at his back, and Jaime Jefferson of Cuba, who jumped 27-11 with a legal wind. In Lewis's victory streak, Myricks has been the runner-up 21 times.

The winning jump came on Lewis's fourth effort, when the wind had temporarily shifted in his favor, to 10.7 mph. Lewis had reached the same distance as his winner two jumps earlier,

but it did not count for a record because the wind had reached 4.7 mph.

That was a mild diversion compared with what some of the others in the 12-man field contended with. Ray Quinones of Puerto Rico, for example, made one attempt with a tailwind of 14.98 mph. For the day, Lewis had five jumps of more than 28 feet, but only two of his attempts came when the wind was within the legal limit.

It may not sound like much, all these differences, but long jumpers are meticulously technical about their craft. They measure their strides along the approach and make adjustments toward the end, marked by an eight-inch take-off board. If they go beyond the far end of

the board, the jump is nullified. Winds make adjusting that much harder.

Lewis has been around long enough, since 1979, to deal with such matters. He knew after his first jump it might be a long day; failing to adjust to a tailwind of 5.81 mph, he jump-ran through the sand pit, a 22-7/8 effort. "The way things were going," he said, "I knew I wasn't going to be able to get the record."

Tellez was more disappointed. He was looking for a world record or a personal record from Lewis (anything above 28-10/4, which he has reached twice, but not since Jan. 27, 1984). "He's jumping well," Tellez said. "If he's jumping well, and there are no difficulties, he can go farther. I think he can go farther."

Tellez felt he might have been able to go farther had he been allowed to discuss the wind conditions with Lewis between jumps. But that's against the rules; coaches communicate with their athletes with hand signals, and even that violates the spirit of the law.

"If I could have taken a time-out and gotten to him," he said, "I would have let him know." Tellez spotted a glitch in Lewis's last four strides — when he was making his adjustments. He noticed Lewis "reaching" for the board, rather than maintaining his stride and driving to it.

"He would lean back too much," Tellez said. And that is the difference, he explained, between 28-8 1/4 and a jump of Beamonian proportions. "We don't even talk about 29-2 1/2," Tellez said. "I don't even know if that's the ultimate jump. We're just concentrating on jumping farther."

One gold medal changed hands only minutes after Sunday's ceremony for the women's 1,600-meter relay. Valerie Brisscoe left the winners' stand, signed an autograph for 23-year-old Bob O'Dare Jr., who is extremely slight, deaf and speaks in sign language, and then she placed the ribbon with the medal around his neck.

"I felt for him," said Brisscoe, who has a young son. "I was blessed. My son is growing up all right. I felt compelled to give it to him. It means a lot to me to win this. I felt it would mean a lot to him, too."

The young man's flashing hands and gleaming eyes told how he felt, and his mother, Donna, said: "It must be the mother's instinct. She even came back to give him the medal case. What a lovely human being."



Carl Lewis, looking for a world record.

Darryl Strawberry, right, and Keith Hernandez of the Mets, exchanging low fives after Strawberry's three-run home run.

New York 23, Chicago 10 — in Baseball

Compiled by Our Staff From Dispatches - CHICAGO — After losing leads in three straight games to Chicago, the New York Mets blew the Cubs away in record-setting fashion on a windy Sunday at Wrigley Field.

And that awesome display of offense, led by Darryl Strawberry in a 23-10 victory, might just turn things around for the Mets. "I

this time of the year. It was important for me to be in the lineup."

Strawberry has doubled in the second inning, homered in the fourth and tripled to drive in two more runs to cap a seven-run sixth, at which point Johnson pulled most of his regulars.

But he left Strawberry in the game because he needed only a single to hit for the cycle. Instead, in the eighth, Strawberry doubled down the left-field line. Coach Bill Robinson tried to get him to stop at first, but "you have to take the extra base," said Strawberry.

Ron Darling picked up his sixth straight victory and his eighth in the last nine games.

But with a 7-0 lead in the fourth inning and rain beginning to fall, he used bunt-y tactics that backfired. "I wanted to get three outs quicker than I was supposed to," said Darling, who gave up a single to Andre Dawson between a pair of strikeouts. Then he walked the bases full and Jody Davis hit a grand-slam home run, followed by a pinch homer by Rafael Palmeiro.

"I lost my rhythm and I tried to rush too much," Darling said. "It's not a good thing to do. You have to pitch your game and let nature take its course. When the sun came out again, nature took its course."

Ron Darling (9) pitched a two-run homer earlier, and Braggs both had RBI singles in the eighth as the Brewers took a 4-2 lead.

Ashley (9) and Angels 6: In Anaheim, California, a home run and two doubles from Jose Canseco

powered Oakland past California. Canseco's run-scoring double with two out in the sixth capped a three-run rally that carried the A's to their third straight victory. Canseco, who had 93 homers and 117 RBIs as a rookie last year, has 31 RBIs in the 30 games since the All-Star break.

In the sixth, when Oakland took a 7-5 lead, Reggie Jackson led off with a double against Chuck Finley, 2-3, and scored the tying run on shortstop Dick Schofield's error. Mike Davis contributed a run-scoring grounder before Canseco's RBI double. Darrell Miller, Mark McLemore and Jack Howell had hit second-inning home runs that gave the Angels a 5-1 lead.

Tigers 10, Royals 6: In Kansas City, Missouri, Lou Whitaker hit three doubles, Jim Morrison homered and drove in three runs and Alan Trammell's double broke a 4-4 tie in the seventh as Detroit outlasted the Royals.

The Tigers scored five times in the seventh against Jerry Don Gleaton, who relieved Bret Saberhagen to start the inning. Whitaker doubled, Bill Madlock reached on an error and Trammell's double made it 5-4.

Jeff Robinson (9-5) got the victory as Detroit won for the fifth time in six games. He relieved Frank Tanana, who was ejected in the seventh at Royals Stadium and is 7-20 lifetime against Kansas City. (AP, UPI)

Seven innings is probably my limit," said Robinson, who improved his record to 6-3 and has won five of six as a starter. "You're not going to get a complete game from Ron. Robinson would be only like to throw 50 pitches."

Giants 1, Dodgers 0: In San Francisco, Mike LaCoss pitched a three-hitter and Eddie Milner doubled home Chili Davis in the 10th for a victory that kept the Giants tied with Cincinnati for first place in the National League West and concluded a 9-2 home stand.

Pinch hitting for LaCoss with Tim Lincecum, who singled off Tim Lincecum before Milner lined a shot into the left-field corner. Bob Welch had struck out San Francisco on four hits through the first eight innings.

Brewers 6, Orioles 2: In the American League, in Baltimore, Paul Molitor extended his hitting streak to 31 games with a third-inning double, and Ernest Riles and Glenn Braggs each drove in three runs as Milwaukee downed the Orioles.

Molitor's streak tied him with Ken Landreaux (1980) for the longest in the majors since Pete Rose set a modern National League mark of 44 straight games in 1978.

Riles, who hit a two-run homer earlier, and Braggs both had RBI singles in the eighth as the Brewers took a 4-2 lead.

Ashley (9) and Angels 6: In Anaheim, California, a home run and two doubles from Jose Canseco

BASEBALL ROUNDUP

don't know," said Manager Dave Johnson. "I sure would have liked to have had some of those runs the last two or three days."

In danger of being swept in the four-game series, New York unloaded a season-high 21 hits and a club-record 23 runs, eclipsing the previous mark of 20, set in August 1971, in Atlanta.

Strawberry had a three-run home run, a triple, two doubles; he scored five runs and drove in five. Len Dykstra struck out three times but came up to bat enough to get four hits, including a ninth homer, and three RBIs.

"We hadn't played well," said Strawberry, whose 29th home run of the year equaled his career high. "We were pumped up, and I was ready like everybody else. We came here in 4 1/2 games out. We were lucky."

Strawberry, who has a sore right hip, was asked by Johnson if he wanted to sit the game out but the right-felder declined. "No way," he said. "You can't take days off

SCOREBOARD

Table with columns for Baseball, Major League Leaders, Sunday's Major League Line Scores, Major League Standings, and Pan American Games. Includes team names, scores, and player statistics.

Travers: At Last a Definitive Showdown

By Steven Crist New York Times Service

SARATOGA SPRINGS, New York — A week ago, maintenance crews began ripping down the fences separating the nation's oldest race track from its parking lot to expand the grounds by 15,000 square feet. After 120 years, it had finally happened — a race would be too big for Saratoga.

The race is the \$1 million Travers Stakes this Saturday, when more people than have ever seen a race at Saratoga are expected at the track. It is the race that the Triple Crown events this spring should have been but were not, and the kind of race the Travers is supposed to be but rarely is — a definitive showdown among all of the nation's top 3-year-olds, where everyone's ready to fire his best shot.

Just 11 weeks ago, when the Triple Crown ended with the Belmont Stakes, there was little to look forward to with this crop of 3-year-olds. Bet Twice had scored an authoritative 14-length victory in the Belmont after finishing second in the Kentucky Derby and the Preakness, and Alysheba's dismal fourth-place finish in the Belmont left racing fans with a sour taste.

In the absence of any other explanation, it seemed that Alysheba had suffered without Lasix, the anti-bleeding medication he had used in four starts before the Belmont. It seemed likely Alysheba would never race in New York again.

Then in the Haskell Handicap at Monmouth Park on Aug. 1, Alysheba's handlers boldly decided to run him without Lasix, and it paid off with everything but a victory. Alysheba ran as well as he ever had, and only an indecisive ride made him fall a neck short of catching Bet Twice. Alysheba's fine performance without Lasix ensured that he would come to New York for the Travers.

That alone would have drawn a huge crowd here, but the fifth chapter of their rivalry is only half the story of this year's Travers.

When Alysheba and Bet Twice began their battles in May, they were tinged with the knowledge that several top 3-year-olds who might be just as good were sidelined. Alysheba and Bet Twice proved time and again that they were a bit better than their victims

in the Triple Crown races, but they had yet to take on the colts who had once been expected to lead the division.

Now, though, the best three of those colts are back, coming off major victories. And instead of the private battleground of Alysheba and Bet Twice, the Travers will be, just as important, a contest between the proven form of those colts and the late-blooming talents of Java Gold, Polish Navy and Temperate Sil.

On May 2, when Alysheba was outfinishing Bet Twice to win the Kentucky Derby, the three colts who will challenge them in the Travers were a sorry crew.

Java Gold, who had won the Best Turf Stakes at Aqueduct two weeks earlier and was being pointed for the Preakness and the Belmont, was sniffling in his stall at Belmont Park, the victim of a respiratory virus.

At Churchill Downs, Temperate Sil was suffering from the same virus. And Polish Navy was at Belmont, just beginning a program of serious workouts after spending the spring recovering from knee surgery.

After watching the Derby, where Alysheba and Bet Twice staged a bumper-car race while turning in the slowest time in 13

years, the trainers of the sidelined horses had the same thought: If my horse comes back as good as he was, I want a shot at those two in the Travers.

The odds against all three returning to the races in top form, and getting a chance to take on both Alysheba and Bet Twice in the Travers, were enormous. And their first outings after their recoveries were discouraging.

Polish Navy was the first to reappear, running in the Riva Ridge Stakes on the Belmont Stakes undercard. He seemed the least likely to regain his best form, since many horses never come back the same after knee surgery. He was beaten eight lengths that day and then won an allowance race in ordinary style. His first real test came in the Dwyer Stakes on July 3. He chased Gene West for half a mile and then surrendered, struggling house third.

It seemed Polish Navy might be through, but he returned in the Jim Dandy here with a deceptively facile score; his final time of 1:48-2/5 for a mile and one-eighth (1,815 meters) was identical to the one posted the previous afternoon in the Whimsy Handicap by the second of the three star 3-year-olds to return from the sidelines.

Temperate Sil, who shot into prominence when he defeated Alysheba by a neck in December's Hollywood Futurity, came to Kentucky this spring as California's top 3-year-old and would have been the second choice in the race. Charlie Whittingham, his trainer, thought this was an ordinary bunch of 3-year-olds and was confident Temperate Sil would ring him a second straight Derby victory after last year's score with Ferdinand.

After the virus denied him the chance to find out, Whittingham took his colt back to California and began planning for the Travers. He brought him back in the Silver Screen Handicap July 3. Temperate Sil was not ready, fading badly to be beaten 16 1/2 lengths as the 3-to-5 favorite. It was just a prop, though, because 23 days later in the Swaps Stakes, he led every step of the way after setting a fast pace and won by a length.

How do the three returning stars stack up against the two established ones? The five have never run in the same race, but some met earlier in their careers. The circumstances were so different, though, that the results may be irrelevant in handicapping the Travers.



Trainer Charlie Whittingham and his colt Temperate Sil.

Tennis

Men's Tournament (at Montreal) First Ivan Lendl, Czechoslovakia (1), def. Brian Ederberg, Sweden (2), 4-6, 7-6 (7-2).

Women's Tournament (at Manhattan Beach, Calif.) First Stefri Graf, West Germany (2), def. Chris Evert, U.S. (3), 6-4, 6-4.

Football

CFL Standings Eastern Division

Table showing CFL Standings for Eastern and Western Divisions with columns for W, L, T, PF, PA, Pts.

Transition

BASEBALL American League Jerry Rouse, pitcher, from the 15-day disabled list. Assigned the contract of Jack Leonard, pitcher, to Edmonton of the Pacific Coast League.

LOS ANGELES—Debra Ken Howell, pitcher, from Albuquerque of the Pacific Coast League. Recalled to Atlanta. Pending.

FOOTBALL NFL EXHIBITIONS N.Y. Giants 17, New England 17, Miami 5.

NEW ENGLAND—Stened Troy Franklin, placekicker, to a four-year contract.

INTERNATIONAL CLASSIFIED (Continued from Back Page) ESCORTS & GUIDES INTERNATIONAL ESCORT SERVICES USA & WORLDWIDE 330 W. 56th St. N.Y.C. 10019 USA 212-765-7754

Pan American Games Gold Medalists ARCHERY Men's Team: United States (Joy Batts, Rich McKinstry, Darrell Pace) Women's Team: United States (Janet Parker, Tracy King, Michelle Borders)

PEOPLE

Elizabeth Taylor Tells Of Addiction Problems

Elizabeth Taylor says that her addiction to drugs and alcohol would have killed her had she not sought treatment...

William F. Buckley is catching flak from handicapped groups because of a column he wrote criticizing a blind man's attempt to sail across the Atlantic...

A London businessman has paid about \$5 million (\$8 million) for the 2,230-acre Watership Down Estate...

Jackie Chan Plots Conquest of West

By Hilda C. Wang New York Times Service

HONG KONG — Jackie Chan easily dispatches enemies with a karate chop or a kung fu kick...



Jackie Chan: Can he replace Bruce Lee in hearts of American moviegoers?

Chan is the undisputed king of the Asian screen, the inheritor of Bruce Lee's mantle, a martial arts expert whose numerous films hold box-office records throughout Asia...

One reason for Chan's tremendous popularity is that he performs his stunts himself. He dances through windows, crashes through windshields...

Chan's American debut was in 1980 in "Batteries Not Included" co-starring Josh Feist and Kristine DeBore. He has also appeared in "The Cannonball Run" (1981)...

Chan is often likened to Bruce Lee, the martial arts expert who died in 1973 after becoming almost the only Asian actor to become well-known in the United States...

ART BUCHWALD

A Short Course in Lying

WASHINGTON — "Good evening, folks. This is Roger Dodger coming to you live from the all-talk station WOLF. Tonight we're going to discuss lying in the government...



"Hello, Roger, this is Conchita. I watched the Iran-contra hearings and I don't see any reason why you can't lie in front of a congressional committee if it means saving the world from communism...

Sotheby's Admits Letter Is Forgery

SALT LAKE CITY — Sotheby's, the auction house, has acknowledged that a letter purportedly written by Daniel Boone and sold at auction in New York City for \$31,900 in 1985 was a forgery...

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